

1968

Industrial Resources: Johnson County - Paintsville

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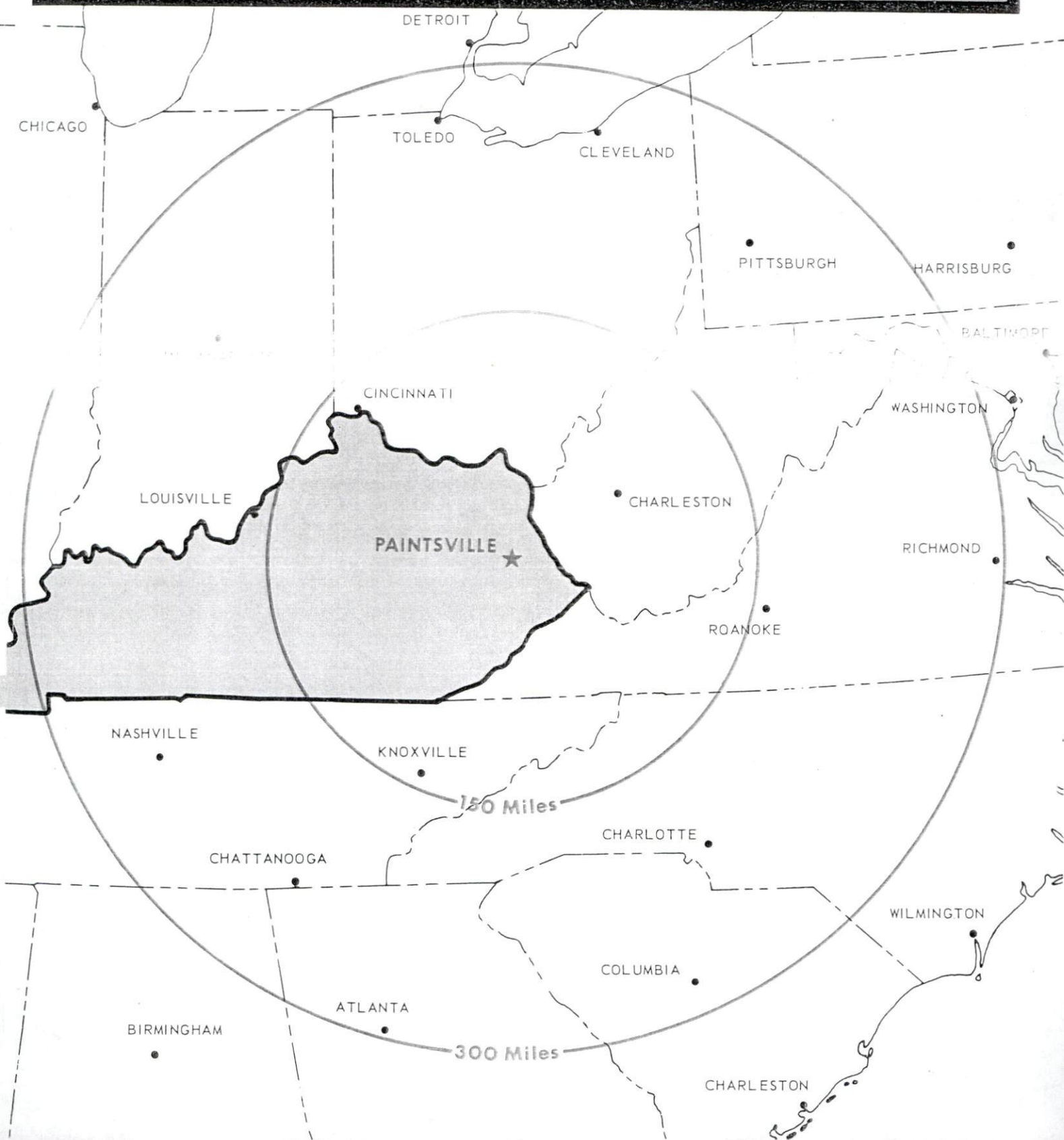
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INDUSTRIAL RESOURCES

PAINTSVILLE KENTUCKY



INDUSTRIAL RESOURCES
PAINTSVILLE, KENTUCKY

Prepared by
The Paintsville Chamber of Commerce
and
The Kentucky Department of Commerce
Frankfort, Kentucky
1968

Kentucky Library WKU

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POPULATION AND
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POPULATION AND
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LOCAL MANUFACTURING

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SUMMARY DATA

POPULATION:

1960: Paintsville - 4,025 Johnson County - 19,748

PAINTSVILLE LABOR SUPPLY AREA:

Includes Johnson and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area: 6,600 to 7,200 men and 5,350 to 5,950 women. Number of workers available from Johnson County: 1,150 to 1,250 men and 1,050 to 1,150 women.

The future labor supply will include 6,648 boys and 6,362 girls who will become 18 years of age by 1974.

LOCAL MANUFACTURING:

Manufacturing firms, their products, employment, prevailing wage rates, and current unionization are shown in detail in the Manufacturing Chapter.

TRANSPORTATION:

Railroads: Paintsville is served by the main line of the Big Sandy Division of the Chesapeake & Ohio Railway Company.

Air: The nearest major airport is the Tri-State Airport located at Kenova, West Virginia, 60 miles distant. The field is served by Eastern, Piedmont, and Allegheny Airlines.

The Paintsville-Prestonsburg Airport, 5 miles south-southeast of Paintsville, can accommodate light aircraft.

Trucks: Four trucking firms serve Paintsville and the Johnson County area with interstate trucking facilities.

Bus Lines: Paintsville is provided bus service by Southern Greyhound lines. Paintsville Bus Lines serves points within Johnson County.

Highways: Major highways serving Paintsville are U. S. 23 and 460 and State Route 40. U. S. 460 connects with the Mountain Parkway near Salyersville, 20 miles from Paintsville.

UTILITIES:

Electricity:

City: Kentucky Power Company

County: Big Sandy RECC

Note - These systems are interconnected

Gas: Paintsville is served by the Paintsville City Gas Company, whose source of supply is the Kentucky-West Virginia Gas Company.

Water: Finished water is provided by the Paintsville Gas & Water Company, whose source of raw water is the Big Sandy River. Treatment capacity of the plant is 1,000,000 gallons per day. Peak daily use has been 600,000 gallons while average daily use is 430,000 gallons.

Sewer System: The Paintsville Gas & Water Company serves the city with a \$1,370,000 plant which was put into operation in 1965. The plant was designed for a population of 15,000, but at present is equipped to handle only a population of 7,500. The present treatment capacity is 700,000 gallons daily and maximum daily flow has been 650,000 gallons.

INDUSTRIAL SITES:

Paintsville has available four sites that range in size from 26 to 175 acres. All of these sites are located within 6 miles of the city limits.

POPULATION AND LABOR MARKET

Population

Paintsville has shown a large increase in population since 1910, the largest being in the 1940's. Johnson County showed a decrease in the 1940's which may have represented a tendency toward urban dwelling over rural.

Further data for the area is represented in tabular form in Table 1.

TABLE 1

POPULATION DATA FOR PAINTSVILLE AND JOHNSON COUNTY
WITH COMPARISONS TO THE KENTUCKY RATE OF CHANGE, 1900-60

Year	Paintsville		Johnson County		Kentucky
	Population	% Change	Population	% Change	% Change
1900	541		13,730		15.5
1910	942	74.1	17,482	27.3	6.6
1920	1,383	46.8	19,622	12.5	5.5
1930	2,411	74.3	22,968	16.8	8.2
1940	2,324	- 3.6	25,771	12.2	8.8
1950	4,309	85.4	23,846	- 7.5	3.5
1960	4,025	- 6.6	19,748	-17.2	3.2

Source: U. S. Bureau of the Census, U. S. Census of Population, Kentucky.

Economic Characteristics

With a large rural population it is not surprising that agriculture accounts for the largest employment group in Johnson County. However, in recent years there has been a change toward manufacturing.

In the Paintsville labor supply area in the Fall of 1964, there were 19,157 people listed in agricultural operations; this includes all persons in farm operator's households and regular hired workers. Johnson County alone listed 2,329. There were 5,072 farms in the Paintsville labor supply area of which 2,406 of these were defined as commercial farms.

In September, 1967, in the Paintsville area there were 1,552 manufacturing jobs, while 190 of these were in Johnson County.

TABLE 2

JOHNSON COUNTY LABOR MARKET, AVERAGE WEEKLY INCOME,
TOTAL AND PER CAPITA PERSONAL INCOME

County	Weekly Wages, 1966		Personal Income, 1963		
	All Industries	Manufacturing	Total (000)	Per Capita	Per Capita Rank*
Johnson	\$ 69.53	\$ 63.79	\$ 18,096	\$ 968	94
Floyd	100.17	69.49	45,139	1,016	90
Lawrence	73.64	64.94	11,798	1,020	89
Magoffin	69.58	34.68	6,639	635	119
Martin	78.54	57.01	4,662	473	120
Morgan	66.16	55.30	10,347	996	91
KENTUCKY	\$100.43	\$ 111.89	\$5,566,097	\$1,799	

*County rankings presented here are the per capita personal income for that county among the total 120 Kentucky counties.

Sources: Kentucky Department of Economic Security (Average Weekly Wage for All Industries and Manufacturing, 1966) for Weekly Wages; Bureau of Business Research, College of Commerce, University of Kentucky, Kentucky County Income 1963, 1965, for Personal Income.

Labor Market

Supply Area: The Paintsville labor supply area includes Johnson and the adjoining counties of Martin, Lawrence, Morgan, Magoffin and Floyd. The population of the labor supply area was 105,937 in 1960.

Current Labor Potential: Fantus Area Research, Inc., estimated in November, 1966, that there were from 6,600 to 7,200 males and from 5,350 to 5,950 females in this area between the ages of 18 and 45 who are currently recruitable for manufacturing jobs. The county distribution of this current labor supply is shown in Table 3.

The potential male labor supply is available from the unemployed plus the underemployed. The underemployed are principally men earning below \$2,500 a year. Most of the underemployed would come from seasonal agricultural employment or marginal nonmanufacturing jobs.

Part of the female labor supply will come from the unemployed but a much greater proportion will come from increased participation in the labor force when jobs are available. The participation rate of women in the labor force is relatively low in much of Kentucky.

TABLE 3

CURRENT POTENTIAL LABOR SUPPLY, JOHNSON COUNTY,
KENTUCKY AREA, NOVEMBER, 1966

County	Current Labor Potential		
	Total	Male	Female
Area Total:	11,950-13,150	6,600-7,200	5,350-5,950
Johnson	2,200- 2,400	1,150-1,250	1,050-1,150
Floyd	4,200- 4,400	2,200-2,300	2,000-2,100
Lawrence	1,500- 1,700	850- 950	650- 750
Magoffin	1,800- 2,000	1,100-1,200	700- 800
Martin	1,300- 1,500	700- 800	600- 700
Morgan	950- 1,150	600- 700	350- 450

Source: Fantus Area Research, Inc.

Future Labor Supply: The future labor supply in the area will include some portion of the 6,648 males and 6,362 females who will become 18 years of age by 1974. An exact forecast of the figure that would enter the area work force would be impossible; however, the most influential internal factor would be the type of local employment available. The distribution of the future labor supply is shown in the following table.

TABLE 4

DISTRIBUTION OF THE FUTURE LABOR SUPPLY, PAINTSVILLE AREA

County	18 Years of Age by 1974	
	Male	Female
Area Total:	6,648	6,362
Johnson	1,103	1,065
Floyd	2,678	2,617
Lawrence	661	623
Magoffin	750	722
Martin	763	722
Morgan	693	613

Source: U. S. Bureau of the Census, U. S. Census of Population, 1960, "General Population Characteristics," Kentucky.

Area Employment Characteristics: The following three tables show the area employment in agriculture and the covered employment of manufacturing and all industries, respectively.

TABLE 5

PAINTSVILLE AREA AGRICULTURAL EMPLOYMENT
FALL, 1964

County	All Persons in Farm- Operator Households	Regular Hired Workers*	Total
Area Total:	19,059	98	19,157
Johnson	2,313	16	2,329
Floyd	3,038	5	3,043
Lawrence	3,330	42	3,372
Magoffin	4,467	17	4,484
Martin	1,066	1	1,007
Morgan	4,905	17	4,922

*Regular Workers (employed 150 days or more).

Source: U. S. Bureau of the Census, U. S. Census of Agriculture:
1964, Kentucky.

TABLE 6

PAINTSVILLE AREA MANUFACTURING EMPLOYMENT
SEPTEMBER, 1967

	Area Total	Johnson	Floyd	Lawrence	Magoffin	Martin	Morgan
Total manu- facturing	1,552	190	529	205	84	83	461
Food and kindred products	79	44	0	33	0	0	2
Tobacco	1	0	0	1	0	0	0
Clothing, textile and leather	969	102	377	145	0	0	345
Lumber and furniture	306	26	36	16	47	83	98
Print., publ. and paper	30	10	6	4	0	0	10
Chemicals, coal, petroleum and rubber	39	0	39	0	0	0	0
Stone, clay and glass	34	8	14	6	0	0	6
Primary metals	0	0	0	0	0	0	0
Machinery, metal products and equipment	85	0	48	0	37	0	0
Other	9	0	9	0	0	0	0

Source: Kentucky Department of Economic Security (Number of Workers in Manufacturing Industries Covered by Kentucky Unemployment Insurance Law Classified by Industry and County).

Paintsville

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TABLE 7
 PAINTSVILLE AREA COVERED EMPLOYMENT
 ALL INDUSTRIES, SEPTEMBER, 1967

	Area Total	Johnson	Floyd	Lawrence	Magoffin	Martin	Morgan
Total	9,726	2,029	4,824	948	450	454	1,021
Mining and Quarrying	3,329	280	2,542	58	130	258	61
Contract Construction	868	213	378	116	22	14	125
Manufacturing	1,552	190	529	205	84	83	461
Transportation, Communication and Utilities	857	318	226	145	65	20	83
Wholesale and Retail Trade	1,941	622	753	228	78	46	214
Finance, Ins. and Real Estate	286	87	132	27	9	15	16
Services	886	319	262	168	62	18	57
Other	7	0	2	1	0	0	4

Source: Kentucky Department of Economic Security (Number of Workers Covered by Kentucky Unemployment Insurance Law Classified by Industry and County).

LOCAL MANUFACTURING

The following list of manufacturing firms indicates something of the demand for labor and the products available in the immediate area of Paintsville, Kentucky.

TABLE 8

PAINTSVILLE MANUFACTURING FIRMS WITH PRODUCTS
AND EMPLOYMENT, 1968

Firm	Product	Employment		
		Male	Female	Total
Adams Construction Co.	Ready-mixed bituminous asphalt	24	0	24
Big Sandy Cinder Block Co.	Building blocks	8	0	8
Big Sandy Ready-Mix Concrete	Ready-mixed concrete	35	0	35
Commercial Printing Co.	Printing	2	1	3
L. D. Gilkerson Lumber Co.	Lumber	18	0	18
Hamilton Beverage Co.	Carbonated beverages	7	1	8
Justice Charcoal, Inc.	Charcoal	29	1	30
McGahan Feed Co.	Feed	5	1	6
Paintsville Herald	Newspaper, job printing	8	2	10
Paintsville Outerwear, Inc.	Outerwear, jackets	4	45	49
Pratt Fruit Co.	Meat processing	4	1	5
Rice Lumber Co.	Window and door casements	6	1	7
Royal Crown Bottling Co.	Carbonated beverages	23	2	25
Russell D. Wells	Machine shop	3	0	3

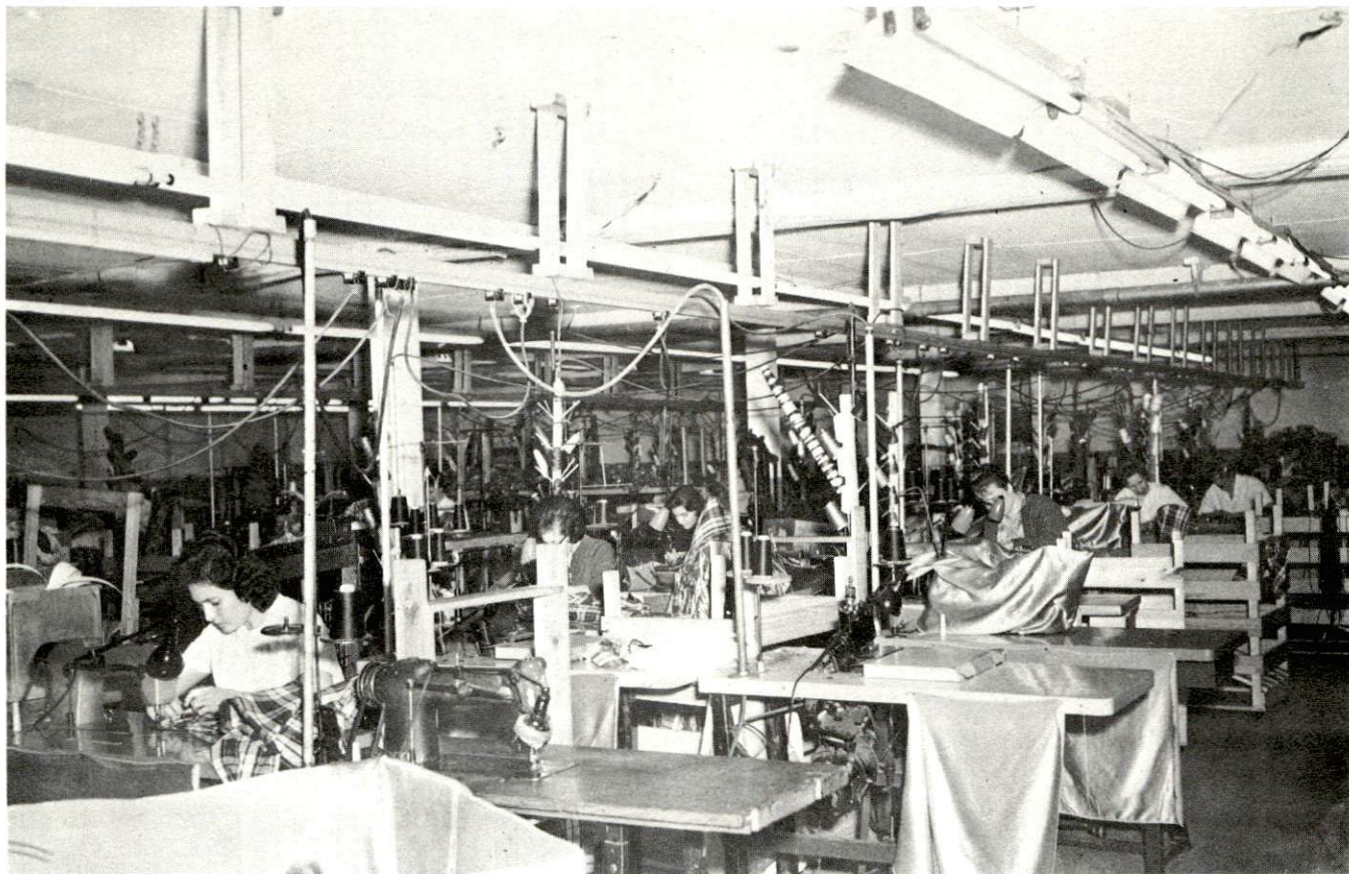
Prevailing Wage Rates

Some examples of wages in the area are:

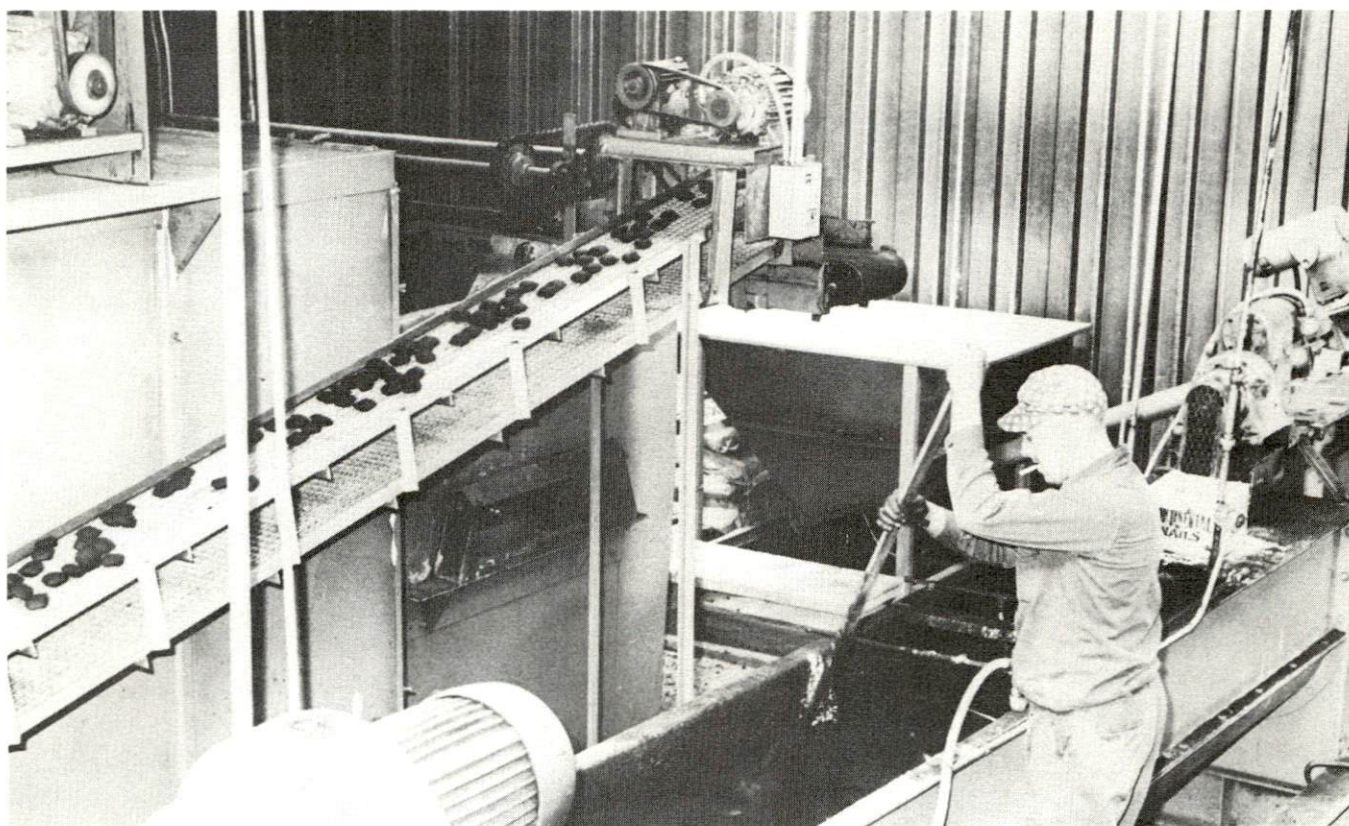
<u>Classification</u>	<u>Rate per Hour</u>
Clerical and Secretarial	\$1.25 - \$2.50
Laborer	1.60 - 1.75
Semiskilled	1.60 - 2.25
Skilled	1.75 - 2.75

Unions

<u>Name of Union</u>	<u>Name of Company</u>
Communication Workers	Southern Bell Telephone and Telegraph Company



PAINTSVILLE OUTERWEAR, INC.



JUSTICE CHARCOAL, INC.

TRANSPORTATION

Railroads

Paintsville is served by the Big Sandy Division of the Chesapeake & Ohio Railway Company, operating between Ashland and Elkhorn City. Siding accommodations include track space for 350 cars plus private and leased track space. Siding space is rented primarily on a yearly basis. No passenger service is available. There are ten freight trains daily each way carrying only coal and six additional freights daily carrying fruit, machinery, lumber, and crossties. Railway Express and switching services are provided.

TABLE 9

RAILWAY TRANSIT TIME FROM PAINTSVILLE, KENTUCKY, TO:

Town	Arrive CL*	Town	Arrive CL
Atlanta, Ga.	2nd PM	Louisville, Ky.	2nd PM
Birmingham, Ala.	3rd AM	Los Angeles, Calif.	5th PM
Chicago, Ill.	1st PM	Nashville, Tenn.	2nd PM
Cincinnati, Ohio	1st AM	New Orleans, La.	3rd PM
Cleveland, Ohio	2nd PM	New York, N. Y.	3rd AM
Detroit, Mich.	2nd AM	Pittsburgh, Pa.	3rd AM
Knoxville, Tenn.	3rd AM	St. Louis, Mo.	2nd AM

*LCL shipments handled subject to following conditions: (1) minimum weight 6,000 lbs., (2) from one consignor to one consignee, (3) shipment is unloaded by consignee or loaded by consignor on public team track or private industry track and does not require freight house handling.

Source: Chesapeake & Ohio Railway Company, Baltimore, Maryland.

Highways

Major highways serving Paintsville are U. S. 23 and 460 and State Route 40. Major portions of U. S. 23 are being rebuilt and improved as part of the Appalachia Highway System. U. S. 460 connects with the Mountain Parkway near Salyersville, 20 miles from Paintsville. This locates Paintsville only 2 hours away from Lexington and even less time away from other major cities in Kentucky.

TABLE 10

HIGHWAY DISTANCES FROM PAINTSVILLE, KENTUCKY, TO:

Town	Miles	Town	Miles
Atlanta, Ga.	453	Louisville, Ky.	200
Birmingham, Ala.	519	Los Angeles, Calif.	2,298
Chicago, Ill.	490	Memphis, Tenn.	566
Cincinnati, Ohio	180	Minneapolis, Minn.	911
Cleveland, Ohio	184	Nashville, Tenn.	360
Detroit, Mich.	380	New Orleans, La.	870
Kansas City, Mo.	702	New York, N. Y.	730
Knoxville, Tenn.	255	Pittsburgh, Pa.	300
Lexington, Ky.	125	St. Louis, Mo.	450

Truck Service: The following trucking firms serve Paintsville:

<u>Company</u>	<u>Home Office</u>	<u>Type Service</u>
Bell Lines, Inc.	Lexington, Ky.	Interstate
Commercial Motor Freight	Columbus, Ohio	Interstate
Cooper-Jarrett, Inc.	Orange, N. J.	Interstate
Hogan Storage & Transfer Co.	Williamson, W. Va.	Interstate
Point Express, Inc.	Charleston, W. Va.	Interstate and Intrastate

TABLE 11

TRUCK TRANSIT TIME FROM PAINTSVILLE, KENTUCKY,
TO SELECTED MARKET CENTERS

Town	Delivery Time*		Town	Delivery Time	
	LTL	TL		LTL	TL
Atlanta, Ga.	3	2	Louisville, Ky.	3	2
Birmingham, Ala.	3	2	Los Angeles, Calif.	7	7
Chicago, Ill.	3	2	Nashville, Tenn.	3	2
Cincinnati, Ohio	2	1	New Orleans, La.	4	3
Cleveland, Ohio	3	2	New York, N. Y.	3	2
Detroit, Mich.	3	2	Pittsburgh, Pa.	3	2
Knoxville, Tenn.	3	2	St. Louis, Mo.	3	2

*Delivery time in days.

Source: Point Express, Inc., Charleston, West Virginia.

Bus Lines: Paintsville is served by Southern Greyhound Lines with three round trips daily to Ashland, two to Lexington, and three to Pikeville. The Paintsville Bus Lines serves points within Johnson County.

Taxi Service: Twenty-four hour taxi service is provided to Paintsville by four companies.

Air

The nearest major airport is the Tri-State Airport, 8 miles south of Ashland and 60 miles from Paintsville. Over 30 daily flights are provided by Eastern, Piedmont and Allegheny Airlines.

The Combs Airport, located 5 miles south-southeast of Paintsville, has a 2,800 by 75-foot paved runway which can accommodate light aircraft. Services provided include 80-100 octane gasoline, charter flights, courtesy car, tie down, air ambulance, and flight instructions. Parking space is provided for at least twelve aircraft on the paved surface and is unlimited on the turf.

UTILITIES AND FUEL

Electricity

Paintsville is served by the Kentucky Power Company, an integrated part of the American Electric Power Company's interconnected system which has a present generating capacity of over 9 million kilowatts. This will be increased to over 13 million kilowatts by 1971.

The area served by the Kentucky Power Company is substantially covered with transmission and distribution lines. In 1963, a 265,000 kilowatt power plant was built on the Big Sandy River near Louisa. Construction has begun to quadruple the size of this plant at a cost of \$100,000,000. The new unit is scheduled for commercial operation in 1969, when the plant's generating capacity will be 1,065,000 kilowatts.

Now fourteenth in size among the A. E. P. system's chain of 15 major power plants situated in five states, Big Sandy will rank fifth in size upon completion of its program.

Big Sandy Rural Electric Cooperative, whose source of supply is East Kentucky Rural Electric Cooperative, serves 2,116 consumers in Johnson County.

Natural Gas

Natural gas is distributed by the Paintsville Gas & Water Company, whose source of supply is the Kentucky-West Virginia Gas Company. There are two 2-inch, one 3-inch, and one 6-inch transmission lines extending to Paintsville with a pressure of 50 to 100 psi. The BTU content is 1,000 per cubic foot and specific gravity is .69. Peak daily demand has been 3,000,000 cubic feet. The Company serves approximately 2,000 customers in the Paintsville area and recently extended its lines 2,000 feet in order to serve more customers. Rates are listed below.

First	3,000 Cu. Ft.	\$.68 Per MCF
Next	17,000 Cu. Ft.	.58 Per MCF
Next	30,000 Cu. Ft.	.48 Per MCF
Next	50,000 Cu. Ft.	.44 Per MCF
Next	100,000 Cu. Ft.	.39 Per MCF
Additional		.37 Per MCF

Manufactured Gas

Bottled gas is furnished by three suppliers in Johnson County.

Coal and Coke*

Paintsville is served by the Eastern Kentucky Coal Field which lies within the Appalachian coal region which also embraces the coal mining areas in Pennsylvania, Ohio, Maryland, the Virginias, Tennessee, and Alabama.

A total of 1,623 mines in 27 counties of eastern Kentucky produced almost 51 million tons of bituminous coal in 1966. Average production per mine was 31,400 tons. Nine counties in eastern Kentucky produced more than a million tons. Pike County leads with a total production of 16,307,862 tons. Underground mines produced 80 percent, auger mines 10 percent, and strip mines 10 percent of the total. Shipments were 87 percent by rail or water and 13 percent by truck. Captive tonnage was 10 percent of the total.

Of the total coal production from the Eastern Kentucky Field, 34 percent was cleaned at 29 cleaning plants; 25 percent was crushed, and 11 percent was treated with oil or other materials.

The coal seams of eastern Kentucky are of bituminous rank. They have a high-volatile content and usually are low in ash and moisture. These qualities make much of the eastern Kentucky coal particularly suitable for coke making and for the manufacture of illuminating gas. Several seams are of hard structure (splint and block) and are highly esteemed by the domestic trade. Eastern Kentucky also is an important source of cannel coal.

Kentucky has three coke plants, located in Ashland, Calvert City and Dawson Springs. The supply is supplemented by border state operations.

Fuel Oil

Kentucky has three fuel oil refineries located in Catlettsburg, Louisville and Somerset. Kentucky's fuel supply is supplemented by border state operations.

*U. S. Bureau of Mines
Keystone Coal Buyers Manual

WATER AND SEWERAGE

Public Water Supply

Paintsville is provided finished water by the Paintsville Gas & Water Company, whose source of raw water is the Big Sandy River. The capacity of the treatment plant is 1,000,000 gallons per day. The treatment is alum, lime, soda ash, chlorine, fluorine, and charcoal. Peak daily use has been 600,000 gallons while the average daily use is 430,000 gallons. Storage facilities consist of three elevated tanks of 150,000-, 180,000-, and 275,000-gallon capacities. Distribution mains are 6 and 8 inches under 85 to 110 psi. The average temperature of the water is 76° in the summer and 46° in winter. The system serves 1,434 customers. Water lines have recently been extended over 4,000 feet to serve the new Johnson County High School and other new customers.

The new Johnson County Water District is now in the process of making application for a Federal loan to help finance installation of water lines to all of Johnson County. The new District is planning to obtain its water from the Paintsville Gas & Water Company at the rate of approximately 220,000 gallons per day.

Current rates are:

2,000 gallons		\$ 1.80 (Minimum Bill)
5,000 gallons	@ \$.80	4.20
10,000 gallons	@ .70	7.70
25,000 gallons	@ .60	16.70
50,000 gallons	@ .50	29.20
100,000 gallons	@ .40	49.20
All over 100,000 gallons @ \$.35 per M gallons		

Sewerage System

A \$1,370,000 collection system and disposal plant was put into operation in Paintsville in 1965. The primary and secondary treatment plant presently can handle a flow of 700,000 gallons daily. Present daily flow averages 400,000 gallons, through a main line of 8 inches and feeder lines of 6 inches. Maximum daily flow has been 650,000 gallons. The

treated effluent is discharged into the Big Sandy River. At present, the plant's operation is set up for a population of 7,500. However, the plant was designed for a population of 15,000. One hundred percent of Paintsville is served with separate storm and sanitary mains.

The sewerage rate is 60 percent of the water bill.

INDUSTRIAL SITES

SITE #1: ACREAGE AND TOPOGRAPHY: 30 acres, level land. Two adjoining tracts of 15 and 20 acres could be purchased.
LOCATION: 3 miles east of Paintsville at Thelma, Kentucky
ZONING: In county - not zoned
HIGHWAY ACCESS: Kentucky Route 1270
RAILROADS: Chesapeake & Ohio Railway serves the site.
WATER: Paintsville Gas & Water Company will extend water line to site - cost to be negotiated
GAS: Paintsville Gas & Water Company will extend gas line to site - cost to be negotiated
ELECTRICITY: At site - Kentucky Power Company and Big Sandy RECC
SEWERAGE: Paintsville Gas & Water Company will extend sewer line to site - cost to be negotiated.
OWNED BY: Paintsville Development Company

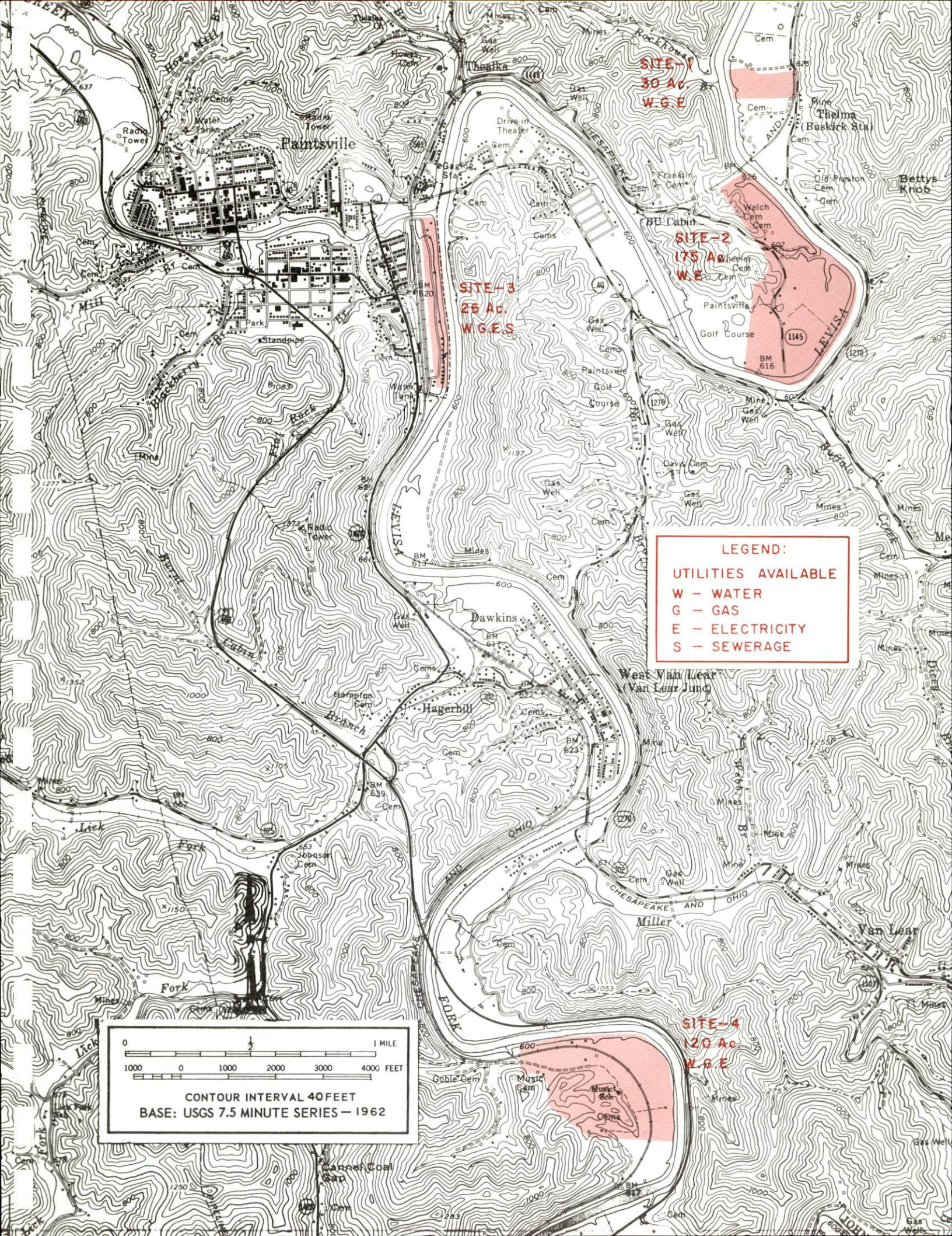
SITE #2: ACREAGE AND TOPOGRAPHY: 175 acres (104 acres level, 71 acres rolling)
LOCATION: 3 miles east of Paintsville at Thelma, Kentucky
ZONING: In county - not zoned
HIGHWAY ACCESS: Kentucky Route 1145. Road access is somewhat limited
RAILROADS: Chesapeake & Ohio Railway adjacent to the site
WATER: Paintsville Gas & Water Company will extend water line to site - cost to be negotiated
GAS: Paintsville Gas & Water Company will extend gas line to site - cost to be negotiated
ELECTRICITY: At site - Kentucky Power Company and Big Sandy RECC
SEWERAGE: Paintsville Gas & Water Company will extend sewer line to site - cost to be negotiated
OPTIONED BY: Paintsville Chamber of Commerce

SITE #3: ACREAGE AND TOPOGRAPHY: 26 acres, level land
LOCATION: East city limits of Paintsville
ZONING: I-2, Heavy Industry
HIGHWAY ACCESS: City streets
RAILROADS: At site - Chesapeake & Ohio Railway Co.
WATER: At site - Paintsville Gas & Water Company
SIZE LINE: 6 and 8 inches
GAS: At site - Paintsville Gas & Water Company
SIZE LINE: 2, 3, and 6 inches
ELECTRICITY: At site - Kentucky Power Company
SEWERAGE: At site - Paintsville Gas & Water Company
OWNED BY: Chesapeake & Ohio Railway Co.

Cost per acre of Sites 1, 2, and 3 will be furnished upon request by the Kentucky Department of Commerce; Allan Perry, Paintsville Herald, Paintsville, Kentucky 41240, Phone 606 789-5315; or Clarence Castle, Castle's Jewelry, Paintsville, Kentucky 41240, Phone 606 789-4515.

SITE #4: ACREAGE AND TOPOGRAPHY: 120 acres (55 acres graded and developed, 65 acres rolling hills)
LOCATION: 6 miles south of Paintsville. The site is bordered on the north and east by the Big Sandy River.
ZONING: In county - not zoned
HIGHWAY ACCESS: By heavy-duty bridge across Big Sandy River to U. S. Highways 23 and 460
RAILROADS: Chesapeake & Ohio Railway Company tracks cross the site
WATER: 10- to 30-inch lines on site. 10-inch line to be constructed from Paintsville to site
GAS: Kentucky-West Virginia Gas Company lines cross the property. SIZE LINE: 4-inch high pressure
ELECTRICITY: Kentucky Power Company serves the site
SEWERAGE: None
OWNED BY: Big Sandy Industrial Foundation, Inc., Paintsville, Kentucky
REMARKS: 55 acres of this site are developed. Improvements include asphalt paved streets and parking lots, grading, 10- to 30-inch water lines, fire hydrants, and electric lighting system.

Cost per acre of Site 4 will be furnished upon request by the Kentucky Department of Commerce; O. T. Dorton, Citizens National Bank, Paintsville, Kentucky 41240, Phone 606 789-5315; or George Branham, Kenwood Corporation, Paintsville, Kentucky 41240, Phone 606 789-3514.



LOCAL GOVERNMENT AND SERVICES

Type Government

City: Paintsville is a fourth-class city governed by a mayor elected for a four-year term, and six councilmen elected for two-year terms.

County: Johnson County is governed by a fiscal court composed of a county judge and three commissioners. All are elected for four-year terms.

Laws Affecting Industry

Municipal Tax Exemption: As provided by state law, Paintsville may allow a five-year tax exemption from municipal taxation to new industry. This exemption cannot be extended beyond this five-year period.

Business Licenses: Business licenses are required only for special types of businesses and itinerant merchants.

Planning and Zoning

The City of Paintsville initiated its first comprehensive planning program in 1960. The program has been continuous and progressive since that time. Since the program's inception, the Kentucky Program Development Office, Division of Community Development, has worked with the community and assisted with the preparation of the following work: Base Maps, Existing Land Use Maps (revised), Major Street Plan, Community Facilities Plan, Public Improvements Program, Zoning Ordinance (revised), Subdivision Regulations, Housing Conditions Survey, Land Use Plan, Central Business District Study, Codes Compliance Program, Parking Study, and Capital Improvements Budget. The department is currently under contract with the community to assist in the development of a General Plan and a Neighborhood Analysis.

The community presently has a certified workable program for community improvement, which is current through February, 1969. The community has 84 units of low-rent public housing completed and 40 units planned and approved.

Nine communities in Johnson County have organized citizens clubs. Two of those communities have active organized community development clubs. These clubs include in their programs all types of community improvement such as freeing community of litter, tourist attractions, garbage disposal, and home improvement. Another of the communities is developing wider tourist attractions with state assistance at the grave site of Jenny Wiley. With community funds alone the community is constructing a log cabin at the site in her honor. Activities of this type are characteristic of many of the other Johnson County communities. Johnson County has the largest active participation for this type activity of any county in eastern Kentucky.

Fire Protection

The Paintsville Fire Department has three full-time firemen and eighteen volunteers. Equipment consists of one International and two Dodge trucks equipped with aluminum ladders, chemical equipment, two-way radios, oxygen, respirators, gas masks, stretchers, and first aid equipment. The 1961 International is equipped with a 750-gpm pump, 700-gallon booster tank, 1,200 feet of 2 1/2-inch hose and 600 feet of 1 1/2-inch hose. The 1952 Dodge is equipped with a 750-gpm pump, a 600-gallon booster tank, 1,200 feet of 2 1/2-inch hose, and 400 feet of 1 1/2-inch hose. The 1948 Dodge is equipped with a twin stage pump with a capacity of 500 gpm, a 500-gallon booster tank, 1,200 feet of 2 1/2-inch hose and 400 feet of 1 1/2-inch hose. There are 113 hydrants in the City of Paintsville. Training periods are held twice each month for the firemen and volunteers. Alarm is sounded by siren. The Paintsville Fire Department is also connected with the civil defense network. Paintsville has a Class-6 NBFU insurance rating.

Police Protection

City: The Police Department is staffed with a chief, five full-time patrolmen and a full-time parking meter patrolman. The patrol car, a 1968 Plymouth, is equipped with a two-way radio.

County: Johnson County is served by one sheriff and six deputies, five out in the county and one in the office. Equipment consists of a 1968 Oldsmobile that is marked.

The Kentucky State Police has two officers assigned to the Paintsville and Johnson County area.

Garbage and Sanitation

Garbage collection is provided by two city-owned trucks. Collection is daily in the business district and weekly in the residential area. Disposal is by means of a sanitary land fill. Residential rates are \$1.25 per month and business rates vary according to the type of business.

Financial Information

The following is a summary of the financial position of Paintsville and Johnson County.

City Income, Expenditures and Bonded Indebtedness:

Income, 1967	\$143,138.12
Expenditures, 1967	140,648.44
Bonded Indebtedness, December 31, 1967	885,000.00

County Budget and Bonded Indebtedness:

Budget, 1967-68	\$163,391.15
Bonded Indebtedness, June 30, 1967	
Courthouse	200,000.00
Refunding Bonds	3,000.00

TAXES

Property Taxes

The 1967 property tax rates for Paintsville and Johnson County are found in the following table. A detailed explanation of taxes is shown in Appendix D.

TABLE 12

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE FOR
PAINTSVILLE AND JOHNSON COUNTY, 1967

Taxing Unit	Paintsville	Johnson County
State	\$.015	\$.015
County	.178	.178
School	.687	.589
City	.190	
Health	.020	.020
Library	.040	.040
Agriculture	<u>.016</u>	<u>.016</u>
Total	\$1.146	\$.858

Source: Farmer & Humble, 1967 Kentucky Tax Rate Schedule, Frankfort, Kentucky.

Net Assessed Value of Property

	<u>Paintsville, 1967</u>	<u>Johnson County, 1967</u>
Real Estate	\$15,929,255	\$39,208,410
Tangibles	6,323,086	9,794,837
Public Service	<u>2,175,090</u>	<u>11,815,000</u>
Total	\$24,427,431	\$60,818,247

OTHER LOCAL CONSIDERATIONS

Educational Facilities

Graded Schools: The Paintsville Independent School District has one high and one elementary school. The system offers two special education classes for the educable and the trainable. Approximately 42 courses in 12 fields are offered and just recently a Commerce Department has been added. Presently about 96 percent of the students entering the ninth grade graduate and 68 percent of the graduates attend college. Students within the system are allowed to attend the Mayo Vocational School three hours each day and also complete their high school courses. The Paintsville School District also participates in Federal programs.

Recent improvements include a new 14-room elementary school and a 100 capacity band room at a cost of \$355,812. Future improvements will include a 500-chair capacity lunch room and kitchen at a cost of \$200,000 and new locker rooms at the football stadium.

The Paintsville Independent School District's 1967-68 budget is \$488,311.16.

The Johnson County School System presently has three high schools and twenty-three elementary schools. Special teachers include: teachers for the handicapped, visiting teachers, supervisors, and a director of pupil personnel. This system has voted to consolidate and construction has begun on a new high school and gymnasium at a cost of \$2,000,000. Hopefully, this new school will be open in the Fall of 1968. Also, four new elementary schools are to be constructed.

The Johnson County School System's 1967-68 budget is \$1,172,683.01.

TABLE 13

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS,
STUDENT-TEACHER RATIO IN PAINTSVILLE AND JOHNSON COUNTY

School	Grades	Enrollment	No. of Teachers	Student-Teacher Ratio
Meade Memorial	1-12	612	24	25-1
Flat Gap	1-12	689	27	26-1
Oil Springs	1-12	556	25	22-1
Johnson County Elementary Schools	1-8	1,264	52	24-1
Paintsville Independent High School	7-12	520	23	23-1
Paintsville Independent Elementary	1-6	531	25	21-1
Our Lady of the Mountains Independent Parochial	1-8	79	6	13-1
Van Lear Independent	1-12	309	10	31-1

Source: Kentucky Department of Education, Kentucky School Directory, 1967-68.

Vocational Schools: Kentucky's vocational education program consists of a state-wide system of 13 area vocational-technical schools and 25 permanent extension centers operated as an integral part of Kentucky's public school system. The primary objective of vocational education in Kentucky is to prepare Kentuckians for semiskilled, skilled and technical occupations.

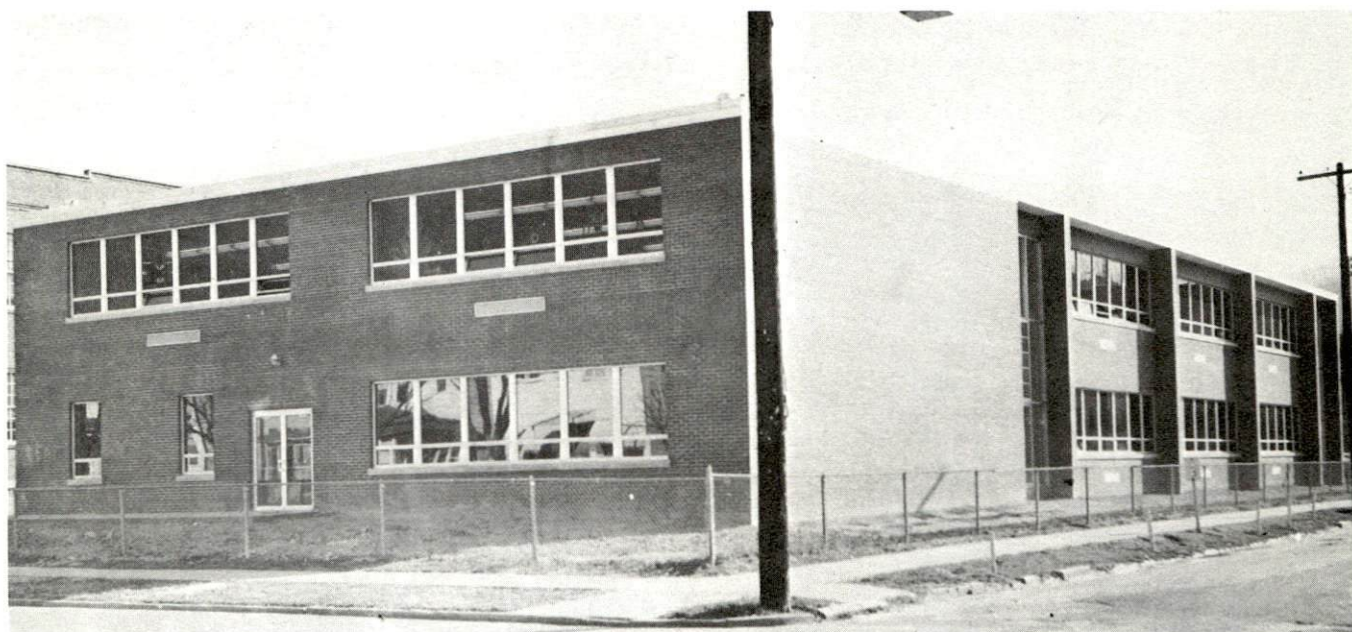
The Mayo State Vocational-Technical School offers day trade and technical training to adults and boys and girls 16 years of age and over. Presently there are approximately 500 students enrolled in the school. The period of training ranges from one to two years, depending upon the trade pursued. In addition to the day trade and technical program the school offers a program of evening instruction.

Just recently, Mayo completed construction of a new building. Another \$650,000 expansion, including a new shop and classroom building, is under construction. Plans call for another \$850,000 building, which is part of a \$3,000,000 expansion program. The total expansion program, planned for completion in about 5 years, will triple the enrollment capacity of the school.

About 85 percent of Mayo students are high school graduates; 98 percent of the students are employed prior to finishing their schooling at Mayo.



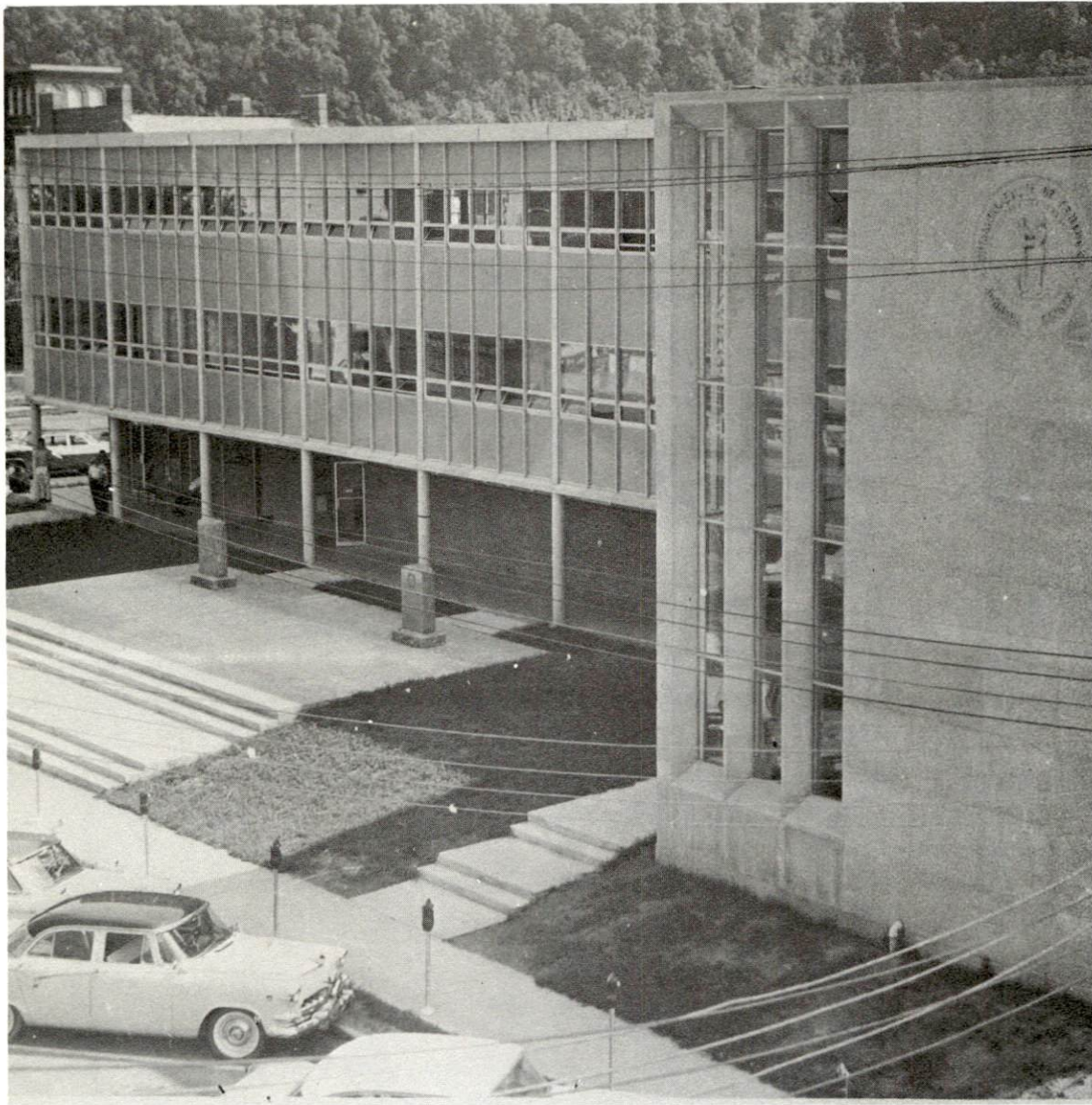
NEW JOHNSON COUNTY HIGH SCHOOL



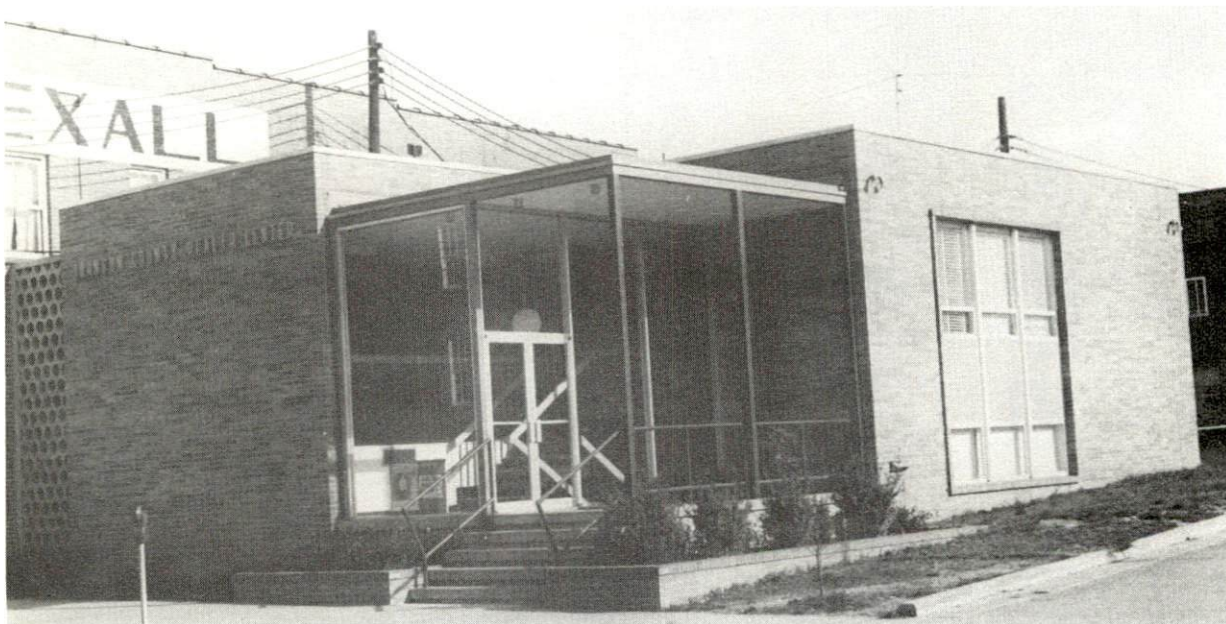
NEW PAINTSVILLE GRADE SCHOOL BUILDING



MAYO STATE VOCATIONAL SCHOOL - AUDITORIUM



JOHNSON COUNTY
COURTHOUSE



JOHNSON COUNTY HEALTH DEPARTMENT

The courses taught at Mayo are: Auto Body Mechanics, Auto Mechanics, Business Education, Carpentry, Cosmetology, Drafting, Electronic Communications, Industrial Electricity, Industrial Electronics, Machine Trades, Practical Nursing, Printing, Radio and Television, Tool and Die Design, Combination Welding, Mining Mechanics, Diesel Mechanics, and Data Processing.

Mayo Vocational School will train workers for specific industry skills.

The courses listed above are those courses which are offered in the pre-employment training program. In addition to pre-employment training, vocational-technical schools provide the following training programs: Apprentice Extension Training, for those persons employed in apprenticeship occupations; Trade Extension Training, for persons employed who need to increase their skills and knowledge; and, Vestibule (Type C) Training, for persons who require an intense in-factory training course prior to specific industrial employment.

Colleges: Institutions of higher learning in the Paintsville area include:

<u>College or University</u>	<u>Location</u>	<u>Distance</u>
Prestonsburg Community College	Prestonsburg	13 miles
Pikeville College	Pikeville	43 miles
Alice Lloyd College	Pippa Passes	56 miles
Lees Junior College	Jackson	57 miles
Ashland Community College	Ashland	65 miles
Morehead State University	Morehead	70 miles
Southern Christian College	Winchester	92 miles
Eastern Kentucky University	Richmond	110 miles
Berea College	Berea	122 miles
Transylvania College	Lexington	125 miles
University of Kentucky	Lexington	125 miles
Georgetown College	Georgetown	126 miles

Health

Hospitals: Paintsville and the surrounding area is served by the Paintsville Hospital, which has 108 beds, 10 bassinets, and facilities which include 2 operating rooms, a clinical lab, X-ray equipment, an emergency room, a delivery room, 4 premature and regular nurseries, electrocardiogram, a blood bank, OBGYN, and food services. The staff consists of 8 medical doctors, 2 surgeons, 1 pediatrician, 1 radiologist, 2 dentists, and 5 registered nurses. The Paintsville Hospital is a member of both the American and Kentucky Hospital Associations. In the near future, the hospital plans to construct an additional wing.

The Paintsville Clinic also serves the Paintsville area with 50 beds and facilities which include: X-ray equipment, emergency room, a clinical lab, delivery room, an operating room, electrocardiogram, OBGYN, and food services. The staff includes 2 medical doctors, 2 surgeons, 1 radiologist and 4 registered nurses. The clinic also belongs to the American and Kentucky Hospital Associations.

Paintsville is provided medical service by 11 medical doctors, 3 surgeons, 1 pediatrician, 5 dentists, 2 optometrists, and 2 chiropractors.

Nursing Homes: Three privately owned and operated nursing homes are located in the Paintsville area. Two of these are equipped with 50 beds, while the newest of the three has 80 beds. Ten doctors are on the staffs of these homes and make rounds daily. Other members of the staff of each home include 1 registered nurse, 5 licensed practical nurses, and two other employees.

Public Health: The Johnson County Health Department serves the Paintsville area. Presently, six people are employed to operate the health program which includes: communicable disease control, field and office visits, tuberculosis control, X-rays, adult health services, crippled children's program, laboratory services, school health services, vital statistics records, dental services, venereal disease control, planned parenthood, cervical cancer detection, environmental sanitation, and general public health activities. A new public health building was constructed in 1962 at a cost of \$80,000. The 1967-68 budget is \$30,309.50.

Housing

Several houses in Paintsville are available for rent or sale. Rental range for two- and three-bedroom houses is \$65 to \$100 per month. Construction costs for two- and three-bedroom houses range from \$10,000 to \$17,000. A modern, 14-unit apartment building was recently completed.

Communication

Telephone Facilities: Telephone service is provided by the Southern Bell Telephone and Telegraph Company. A direct dial system is now in operation for local calls. The company serves about 2,579 customers in Paintsville and Johnson County. Plans are now being made for a \$71,000 cable that will run from Paintsville to Prestonsburg.

The Foothills Rural Telephone Cooperative Corporation serves 4,146 customers in the rural areas of Lawrence, Magoffin, and Johnson Counties with a dial system. Improvements in the near future will include upgrading of party-line service and an extension of the line to serve more areas.

Telegraph Service: Twenty-four hour telegraph service is provided by a Western Union office in Paintsville.

Postal Facilities: Paintsville has a first-class post office with 13 employees. Mail is received and dispatched two times daily. There are two city routes. The postal receipts for 1967 totaled \$78,126.24.

Newspapers: The Paintsville Herald, a weekly newspaper published on Wednesday, serves the area with a circulation of 3,900. The paper is staffed by ten full-time employees.

Other papers are received from Louisville, Ashland, and Lexington, Kentucky, and from Huntington, West Virginia.

Radio:

<u>Station</u>	<u>Town</u>	<u>Watts</u>	<u>Kilocycles</u>	<u>Hours</u>	<u>Network</u>
WSIP	Paintsville, Kentucky	1,000 day 250 night	1,490	6 AM-9 PM	CBS

Television: Television reception is from two Huntington, West Virginia, stations and one Charleston, West Virginia, station. All three major networks are represented. Reception is primarily by cable service.

Libraries

The Paintsville-Johnson County Public Library has approximately 16,000 volumes. The average daily circulation is 600 volumes. Thirty-eight rural schools with approximately 3,000 pupils and 15 rural communities are served by a bookmobile from the library. The facilities have just been remodeled and a new reading area added. There are two full-time employees. Library hours are from 1 to 5 PM Monday, Wednesday, Thursday and Friday, 1 to 8 PM Tuesdays, and 10 to 12 AM Saturdays. The library is a member of the Kentucky Library Association.

Churches

There are at the present time fourteen churches in Paintsville representing the following denominations: Baptist, Church of Christ, Church of God, Methodist, Christian, Pentecostal and Roman Catholic.

Financial Institutions

<u>Banks</u>	<u>Statement as of December 30, 1967</u>	
	<u>Assets</u>	<u>Deposits</u>
The First National Bank	\$ 7,323,854.47	\$ 6,623,259.75
Citizens National Bank	11,479,590.27	10,450,098.33
<u>Savings and Loan Associations</u>	<u>Assets</u>	<u>Shared Accounts</u>
First Federal Savings & Loan Association	\$10,636,926.28	\$ 9,205,679.60

Hotels and Motels

<u>Name</u>	<u>Rooms or Units</u>
Starfire Motel	30 units
Prichard Motel	24 units
Henderson Motel	28 units
Pride Motel	11 units
Herald Hotel	30 rooms
Heart O'Highlands Motel	40 units (under construction)

Clubs and Organizations

Civic: Chamber of Commerce, Kiwanis Club, Rotary Club, Toastmaster's International, and Jaycees

Fraternal: Masons, Elks, IOOF, American Legion, Eagles, and DAV

Women's: Paintsville Woman's Club, Rebekah, American Legion Auxiliary, DAR, Eastern Star, Homemakers, Business and Professional Women's Club, Beta Sigma Phi, and Garden Club

Youth: Boys Scouts, Cub Scouts, Brownies, Girl Scouts, FFA, FHA, Rainbow Girls, 4-H Clubs, Little League, and Pony League Baseball

Recreation

Local: Recreational facilities in Paintsville include a 12-lane bowling center, a theatre, and a teen town youth center.

The city operates a park and playground which covers a 16-acre area inside the city limits. Facilities include a modern swimming pool with separate wading pool and brick bathhouse, three all-weather tennis courts, all-weather basketball and volleyball courts, lighted softball and baseball diamonds, croquet and horseshoe courts, and picnic tables and grills. A full-time park supervisor is employed during the summer months.

Paintsville also has an 18-hole golf course and modern country club. The facilities of this club are open to the citizens of Paintsville and neighboring towns and to tourists. Several notable golf tournaments are held there each year.

A par-3 golf course is available at Jenny Wiley State Park, 12 miles east of Paintsville. Excellent fishing and boating facilities are available on Dewey Lake, within the state park.

Plans are presently underway, through a Federal program, for the construction of Paint Creek Dam and Reservoir. This lake will be approximately 15 to 20 miles long through portions of Johnson, Morgan, and Magoffin Counties. Hopefully, construction will begin sometime in 1968.

Area: Natural Bridge State Park is 54 miles from Paintsville on Kentucky 77, 3 miles from the Mountain Parkway. The park has a lodge, Olympic pool, dining room, gift shop, efficiency and one-bedroom cottages, tent and trailer camp sites with central service building, 55-acre lake, boating and boat rentals, bathhouse, picnic shelters, horseback riding, hiking and nature trails, fishing, playground, and supervised recreation. Located in the Daniel Boone National Forest, this Red River Valley area abounds in high cliffs, unique rock formations, deep valleys, mountain streams, and a profuse forest and wildflower covering. There are 12 great natural arches in the area. Natural Bridge is the largest; its arch is 78 feet long and 65 feet high.

Buckhorn Lake State Park is 64 miles from Paintsville on Kentucky 28. This newest Kentucky resort park has a lodge, dining room, 1,200-acre lake, beach, bathhouse, sandwich shop, boat dock and launching ramp, boat rentals, primitive camping, picnic shelter with rest rooms, playground, planned recreation, and fishing.

Community Improvements

Recent:

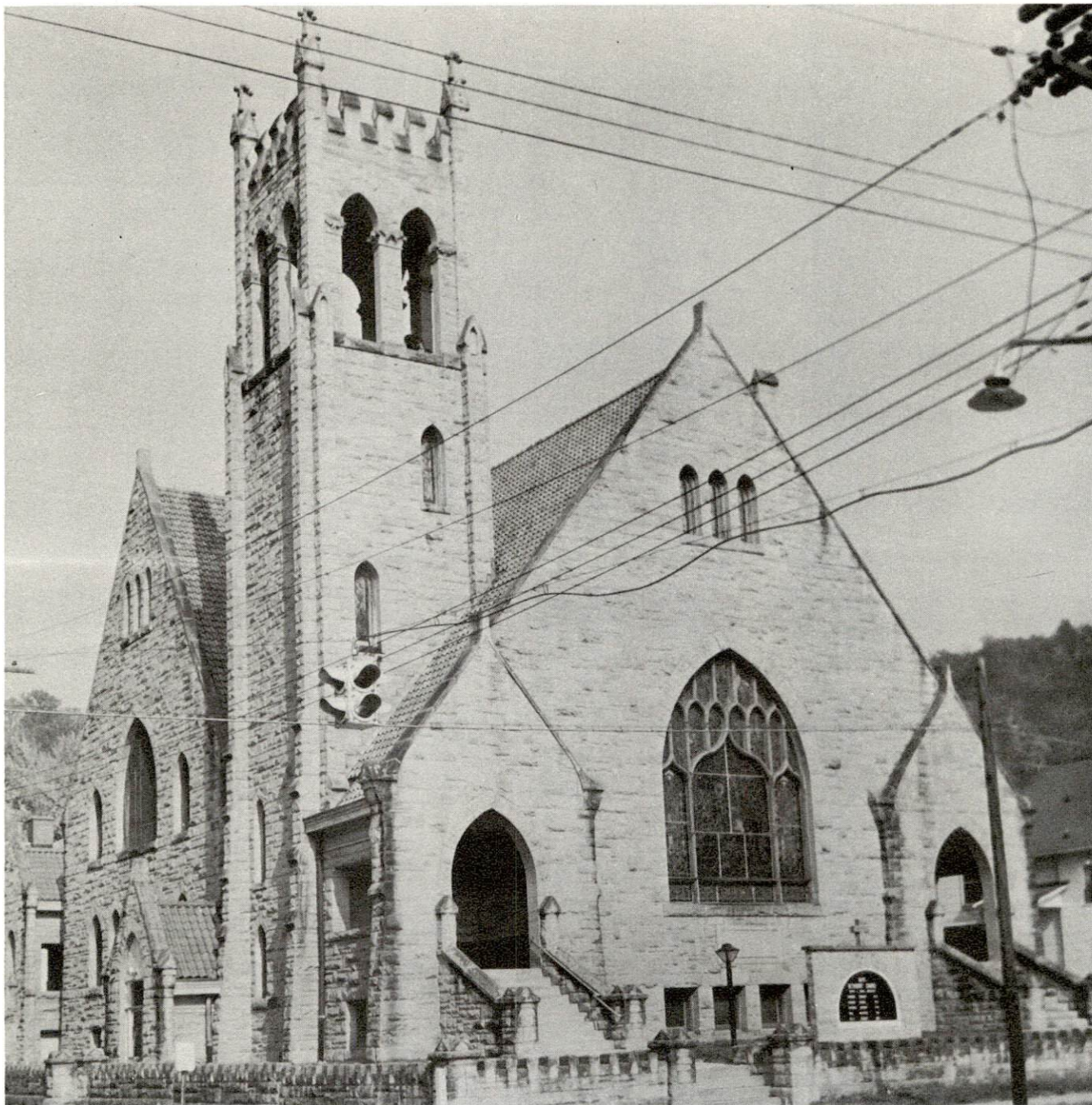
1. Route 460 has been resurfaced.
2. A newly surfaced 50-car, off street parking lot completed
3. A new sewerage treatment plant completed at a cost of \$1,370,000
4. A new elementary school and band room in Paintsville completed at a cost of \$355,812
5. The public library remodeled
6. A new apartment building constructed
7. A new public health building constructed at a cost of \$80,000
8. Big Sandy RECC completed new office building
9. A new rest home constructed
10. Several improvements to facilities at Mayo Vocational School
11. Gas line extended to serve more people in the city
12. New First Baptist Church at a cost of \$200,000
13. New restaurant with capacity for 200 diners

Underway:

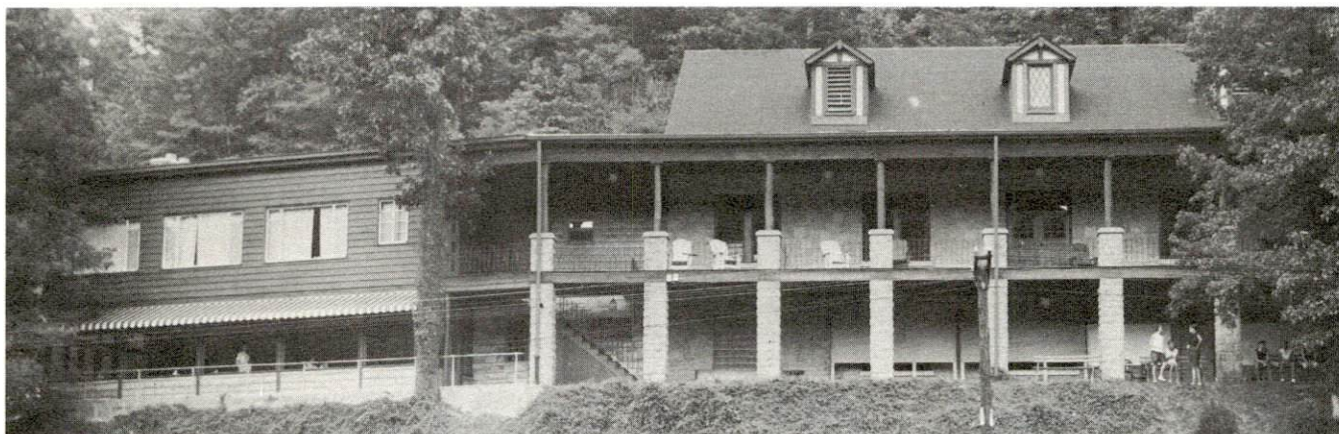
1. Modernization of Route 23 is underway.
2. Construction of the new Johnson County High School at a cost of \$2,000,000
3. New \$650,000 building under construction at Mayo Vocational School
4. New 40-unit motel is under construction.

Planned:

1. New street program improvement
2. 40-unit housing project
3. New subdivision
4. Paint Creek Dam and Reservoir to be constructed
5. Mayo Vocational School expansion
6. Urban Renewal application pending for planning grant
7. New business buildings
8. New Johnson County Water District
9. A telephone cable from Paintsville to Prestonsburg - cost
\$71,000
10. Extension of water line
11. New hospital wing
12. Four new elementary schools



MAYO METHODIST CHURCH



PAINTSVILLE COUNTRY CLUB

NATURAL RESOURCES

Agriculture

Farm income in Johnson County is largely from the production of crops, particularly tobacco, supplemented by livestock and poultry. The approximate total land area of the county is 168,960 acres with 647 farms comprising 31.4% of this area. The average farm size is 82.1 acres, valued at \$79.35 per acre (including buildings). *

The topography of Johnson County is mountainous. The relative inherent soil fertility is low. The soil drainage is rapid with medium internal drainage. **

The following tables are presented to reflect most recent production trends from available comparable data.

TABLE 14

VALUE OF FARM PRODUCTS SOLD, JOHNSON COUNTY

Farm Products Sold	Value of Sales 1964	Value of Sales 1954
All Farm Products Sold	\$600,331	\$602,535
Average per Farm	928	407
All Crops Sold	392,516	395,508
Field Crops	315,009	353,545
Vegetables	1,023	8,071
Fruits and Nuts	64,112	24,884
Forest Products & Horticultural Specialty Crops	12,372	9,008
All Livestock and Livestock Products Sold	204,015	207,027
Poultry & Poultry Products	113,042	67,839
Dairy Products	1,295	62,396
Other Livestock & Livestock Products Sold	89,678	76,792

Source: U.S. Bureau of the Census, U.S. Census of Agriculture: 1964, 1954, Kentucky.

*U.S. Bureau of the Census, U.S. Census of Agriculture: 1964, Kentucky.

**U.S. Department of Agriculture, Soil Conservation Service.

TABLE 15

AGRICULTURAL PRODUCTION, JOHNSON COUNTY AND KENTUCKY*

	Johnson County		Kentucky	
<u>Crops</u>	<u>1966</u>	<u>1956</u>	<u>1966</u>	<u>1956</u>
Burley Tobacco (000 lbs.)	637	469	405,270	335,340
Corn for Grain (000 bu.)	59	180	65,018	84,456
Clover-Timothy Hay (tons)	1,350	1,300	955,000	579,000
Apples Harvested (bu.)	(1964) 19,744	(1959) 8,083	(1964) 440,116	(1959) 331,588
Peaches Harvested (bu.)	(1964) 1,638	(1959) 1,300	(1964) 221,355	(1959) 183,308
<u>Livestock and</u>				
<u>Livestock Products</u>	<u>1967</u>	<u>1957</u>	<u>1967</u>	<u>1957</u>
Cattle and Calves on Farms (number)	2,500	3,150	2,543,000	1,863,000
Hogs and Pigs on Farms (number)	1,000	(1959) 2,351	1,225,000	(1959) 1,652,011
Milk Cows on Farms (number)	(1965) 700	(1965) 1,750	(1965) 421,000	(1965) 654,000
Milk Production (000 lbs.)	(1965) 2,870	(1960) 4,515	(1965) 2,568,000	(1960) 2,495,000

*When data varies from base year, year used is indicated in parenthesis.

Sources: Kentucky Department of Agriculture, Kentucky Agricultural Statistics, 1958, 1960, 1961, 1966-67.

Additional detailed agricultural data may be obtained upon request from the Agricultural Development Division, Kentucky Department of Commerce, Frankfort, Kentucky, 40601.

Minerals

The principal mineral resources of Johnson County consist of coal, petroleum and natural gas, clay shales, sandstone and limestone. Natural brines of undetermined value can be secured from wells, and rock asphalt deposits of potential value are found. Total value of mineral production in 1966 amounted to \$3,530,988 from coal and petroleum (Minerals Yearbook, 1966).

Coal: Coal is by far the most important mineral resource and the economic condition of the area is usually reflected by its production. In 1966 a total of 59 mines employing 319 men were operated.

Production: For the period 1892 through 1966, 43,641,157 tons of coal were produced. During 1966 a total of 346,525 tons was secured. The Van Lear (Miller's Creek) is the principal seam worked in this area. Other important seams include the Fire Clay and Haddix. The remaining coals above drainage are too thin, except for local pockets, to be of commercial importance at present.

Quality: The coals are high volatile A and B bituminous. Significance placed on the Van Lear coal is due to its being consistently thicker, higher grade and more accessible. It is low in ash and sulphur content and varies in thickness from 30 to 60 inches. Selected analyses of the three important seams are given below.

Seam	Moisture	Volatile Matter	Fixed Carbon	Ash	Sulphur	BTU Dry Basis	Ash Softening Temp. F
Van Lear	(1) 5.6	37.7	54.6	2.1	.5	13730	2760
	(2)	40.8	59.2		.6	14880	
Fire Clay	(1) 5.8	39.6	52.4	2.2	.6	13690	2750
	(2)	43.0	57.0		.7	14880	
Haddix	(1) 6.1	37.7	51.1	5.1	1.1	13010	2730
	(2)	42.4	57.6		1.3	14660	

(1) Sample as received.

(2) Moisture and ash free.

Source: KyGS, Bulletin #13.

Reserves: Total original reserves for Johnson County have been estimated at 819.67 millions of short tons by the U. S. Geological Survey. This includes measured, indicated and inferred resources in beds 14 inches or more in thickness.

Petroleum and Natural Gas: Substantial amounts of these important resources have been produced from a number of formations and in a number of localities throughout the county. Production is controlled by both structural (Paint Creek uplift) and stratigraphic conditions. In descending order the producing horizons are the "Big Lime," Weir sandstone, Berea sandstone, Ohio Black shale, "Corniferous" and "Big Six" sandstone at depths ranging from approximately 850 to 2,500 feet. Oil production is confined almost entirely to the Weir and Berea "pays." Gas production is reported from each of the above formations. Depletion of these shallow producing horizons, along with future demands for oil and gas, will probably bring about exploration in the deeper formations of this area.

Production: For the period 1920 through 1967, total accumulative oil production amounts to 18,977,726 barrels. During 1967 a total of 370,171 barrels were secured. Crude oil production in 1966 for this county decreased 9.9% with a total of 22 wells being drilled. In recent years secondary recovery methods by both air-gas injection and water flooding have proven highly successful; however, the decline, as pointed out, is due to decline of secondary recovery by Ashland Oil Company and Martha Pool.

Clay Shales: Clay shales occurring within the Breathitt formation are rather widespread throughout the county. Analyses of these shales indicate that they are suitable for the manufacture of common brick, stoneware, tile, sewage pipe and other products. These deposits have not been exploited and offer a great potential for development since no clay manufacturing plant is located near the area.

Sandstone: The Lee sandstone formation which covers a wide area of the county offers the greatest potential for commercial sandstone development. This stone is used locally for building purposes and is a potential for low grade glass material. Analysis of a washed sample from a deposit near Staffordsville is as follows:

SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	CaCO ₃	MgCO ₃
97.60%	.1315%	1.69%	.225%	.095%

Source: Kentucky Geological Survey.

Limestone: Limestone occurs at shallow depths in the area of the Paint Creek Uplift. Along the Irvine-Paint Creek fault in the western portion of the county the Mississippian limestone is approximately 50 feet thick and occurs 100 feet more or less below drainage. This stone is known to be of chemical grade in many other parts of the state. It could undoubtedly be used for road material, mine dusting and agricultural purposes. There has been opened a new quarry for the limestone that is on the Magoffin-Johnson Counties line.

Kentucky Mineral Production: In 1966 total value of mineral production in Kentucky was valued at \$498,364,000. This was a 7 percent increase over 1965 and the second highest production value on record. In order of value, the minerals produced were coal, petroleum, stone, natural gas, sand and gravel, clays, zinc, fluorspar, lead, and silver. Value of items that could not be disclosed were asphalt, cement, ball clay, and natural gas liquids. Kentucky ranked second in the United States in the production of bituminous coal, ball clay, and fluorspar.

TABLE 16

KENTUCKY MINERAL PRODUCTION, 1966 (1)
(Units in short tons unless specified)

Mineral	Quantity	Value
Clays (2)	1,152,000	\$ 2,277,000
Coal (bituminous)	93,156,000	363,440,000
Fluorspar	28,725	1,361,000
Lead (recoverable content of ores)	484	146,000
Natural Gas (cubic feet)	76,536,000,000	18,139,000
Petroleum, crude (barrels)	18,066,000	51,488,000
Sand and Gravel	8,064,000	7,524,000
Silver (recoverable content of ores - troy ounces)	1,086	1,000
Stone	22,667,000	31,179,000
Zinc (recoverable content of ores)	6,586	1,910,000
Value of items that cannot be disclosed: Asphalt, cement, ball clay, and natural gas liquids.		20,899,000
Total		\$498,364,000

(1) Production as measured by mine shipments, sales, or marketable production (including consumption by producers).

(2) Excludes ball clay, included with "Value of items that cannot be disclosed."

Source: U. S. Department of the Interior, Bureau of Mines, Minerals Yearbook, 1966.

Water Resources*

Surface Water: The Levisa Fork of the Big Sandy River affords the largest source of water supply in this area. Paint Creek, a tributary to Levisa Fork, is the next largest stream. The average discharges (USGS) of the Levisa Fork at Paintsville and Paint Creek at Staffordsville are 2,357 cfs (39 years - 1915-1916, 1928-1966) and 121 cfs (16 years record), respectively.

*Various Reports on Water Resources by the U. S. Geological Survey of the Department of Interior.

Ground Water: The best potential for industrial ground water along the Levisa Fork of the Big Sandy River near Paintsville is from the alluvium in the stream valley. Information on yields of wells in the alluvium indicate as much as 20-25 gallons per minute can be developed. Water from the bedrock in the area is less adequate for industrial supply. Yields of more than 500 gallons per day are common. The better wells from the bedrock must be located along joints and openings along bedding planes.

Forests

There are 136,700 acres of commercial forest land in Johnson County, covering 80.9 percent of the total land area. The most abundant species are red oaks, white oaks, hickories, yellow poplar, yellow pines, beech, and maples.

In Kentucky, within a 50-mile radius of Paintsville, the county seat, there are nearly three million acres of commercial forest land. In 1962, 116 million board feet of timber were harvested from this area. Forestry authorities agree that the desirable annual cut should be much larger. The adjacent parts of West Virginia and Virginia are also well forested. While some of the timber harvest is used locally, much of it is shipped out of the area for further processing.

Forests of the entire area receive organized protection from fire from the State Department of Natural Resources.

MARKETS

Kentucky's economic growth is credited in part to its location at the center of the Eastern Market Area. A line drawn along the borders of Minnesota, Iowa, Missouri, Arkansas, and Louisiana divides the country into two parts designated the Eastern and Western Market Areas. The Eastern Market Area is smaller in land area, but contains almost 75 percent of the national population.

Kentucky is also at the center of a seventeen state area containing over 2/5 of the nation's population, personal income, and retail sales. This area is composed of those states within an approximate 400-mile radius of the Kentucky border. This is shown in greater detail in the following table.

TABLE 17

CONSUMER MARKET POTENTIAL

	Population 1967 Estimate Percent of U.S.	Personal Income 1966 Percent of U.S.	Retail Sales 1963 Percent of U.S.
Alabama	1.8	1.2	1.3
Arkansas	1.0	0.7	0.6
Delaware	0.3	0.3	0.3
Georgia	2.3	1.8	1.9
Illinois	5.5	6.6	6.2
Indiana	2.5	2.6	2.7
KENTUCKY	1.6	1.2	1.3
Maryland	1.9	2.0	1.7
Michigan	4.3	4.8	4.4
Mississippi	1.2	0.7	7.8
Missouri	2.3	2.2	2.4
North Carolina	2.5	2.0	2.0
Ohio	5.3	5.5	5.3
Pennsylvania	5.9	5.9	5.7
South Carolina	1.3	0.9	0.9
Tennessee	2.0	1.5	1.6
Virginia	2.3	2.0	2.0
West Virginia	0.9	0.7	0.7
REGIONAL TOTAL	44.9	42.6	42.2

Sources: U.S. Bureau of Census, Current Population Reports, Series P-25, No. 373, September 5, 1967, for Population; U.S. Department of Commerce, Survey of Current Business, August 1967 for Income; U.S. Department of Commerce, Census of Business, 1963, "Retail Trade" for Retail Sales.

Per capita personal income in Johnson County in 1963 was \$968 which was below the state average of \$1,799.* According to the August 1967 issue of Survey of Current Business, per capita income in Kentucky for 1966 was \$2,246.

Retail sales in Johnson County in 1966 totaled \$17,168,000.**

*Bureau of Business Research, College of Commerce, University of Kentucky, Kentucky County Income 1963, 1965.

**Sales Management, Survey of Buying Power, June 10, 1967.

CLIMATE

The average annual precipitation in Kentucky ranges from 38 to 40 inches in the northern part of the state to 50 inches or more in the south-central part. Late summer is normally the driest part of the year.

Winter is relatively open, with midwinter days averaging 32 degrees in the northern parts to 40 degrees in the southern, for about six weeks' duration.

Midsummer days average 74 degrees in the cooler uplands to 79 degrees in the lowland and southern areas.

The growing season varies from 180 days in the north to 210 in the south. Seasonal heating-degree days average about 4,500 for the state. Sunshine prevails for an average of at least 52 percent of the year and increases to 60 percent or more to the southwest.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. Warm-to-cool weather prevails with only short periods of extreme heat and cold.

TABLE 18

CLIMATIC DATA FOR PAINTSVILLE, JOHNSON COUNTY, KENTUCKY

Month	Temp. Norm.* Deg. Fahrenheit	Total Prec. Norm.* Inches	Av. Relative Humidity Readings**	
			7 A.M.	7 P.M. (EST)
January	27.3	3.58	78	65
February	34.7	3.24	78	62
March	45.2	2.22	76	56
April	52.8	5.32	82	54
May	61.8	.98	89	59
June	71.4	.82	89	61
July	76.4	6.98	91	66
August	73.8	6.08	91	68
September	65.3	5.38	88	65
October	52.1	2.28	86	59
November	45.4	3.57	84	66
December	34.0	3.78	80	67
Annual Norm.	53.4	44.23	84	62

*Station Location: Dewey Dam, Kentucky

**Station Location: Bristol, Tennessee

Length of Record: 7 A.M. readings 5 years;
7 P.M. readings 5 years.

Days cloudy or clear: (29 years of record) 91 clear, 163 cloudy,
111 partly cloudy

Days with precipitation of 0.01 inch or over: (21 years of record) 132

Days with 1.0 inch or more snow, sleet, hail: (23 years of record) 5

Days with thunderstorms: (23 years of record) 46

Days with heavy fog: (23 years of record) 41

Prevailing wind: (9 years of record) West-southwest

Seasonal heating-degree days: (30 years of record) Approximate long-term means 4,143 degree days.

Sources: U.S. Weather Bureau, Climatological Data - Kentucky, 1966;
U.S. Weather Bureau, Local Climatological Data - Bristol, Tennessee, 1966.

A P P E N D I X

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HISTORY

Johnson County, the ninety-seventh county formed in the state, dates from 1843. It was taken from Floyd, Lawrence and Morgan Counties. Its soil is fertile in the valleys which is sandy in texture and is based principally on sandstone. The Levisa Fork of the Big Sandy River and its tributaries drain the county. These streams have chiseled that section of the Cumberland Plateau into a network of low hills and shallow valleys. The average elevation of the county is under seven hundred feet above sea level, while a hundred miles to the south the elevation is a thousand feet higher. The soils are especially adapted to the cultivation of vegetables and fruits. The climate is temperate and the area is definitely not a snow country. Although the geographical location of Johnson County is in Eastern Kentucky it is not a mountain county nor do the people who live there regard themselves as living in the mountains. The Cumberland Plateau stretches from the Cumberland Mountains on the south northward across the county to the rugged lowlands along the Ohio River.

Many explorations and discoveries were made west of the Allegheny Mountains before any settlement was begun. The first white man, according to records, to traverse Johnson County territory was Dr. Thomas Walker who was in the employ of the Loyal Land Company. Soon several members of the Long Hunters came into the area. Five miles upstream from Paintsville is a fifty-acre tract now known as Block House Bottom, where Matthias Harman built a hunting lodge. Several years later in 1787 he returned and built a fort at present day East Point. It was from this station that settlers went out to establish Paintsville, Prestonsburg, Pikeville and communities in other present day counties. It was also to this fort that Jennie Wiley, the pioneer heroine of Eastern Kentucky, fled a dramatic escape from the Indians. Her name is preserved today in the Jennie Wiley State Park on Dewey Lake a few miles over in Floyd County.

Johnson County was named for Colonel Richard M. Johnson of Scott County who gained fame through honesty, bravery, and accomplishments. His honesty was exemplified in October 1813. He promised the mothers and wives of his men that no man would be asked to go where he did not lead him. He led his men in the Battle of the Thames in Upper Canada, and has been credited with killing Tecumseh, one of the greatest Indian chiefs of all time. His bravery was established when he did not hesitate to move forward in the face of an enemy whose forces far outnumbered his. His accomplishments were many: He acquired a classic and scientific education at Transylvania University, passed the bar examination at the age of nineteen, served in the State Assembly at the age of twenty-two, was elected to the National Congress when only twenty-four (he took his seat a few days after he reached twenty-five), was a United States Senator, and in 1836 was named the vice-president elect. His selection as

vice-president was the only time in the nation's history the Senate has been called upon to decide who should serve in that office. After he retired from national prominence Johnson served several terms in the Kentucky Assembly, where he was at the time of his death in 1850.

Paintsville, the county seat, dates from 1810 and was named for Paint Creek which flows through the town. Early settlers found many of the large trees along the creek stripped of their bark and embellished with drawings of birds and animals, painted in red and black on the smooth undertrunks. They also found odd figures of buffalo and deer painted on the clifflike sandstones along the stream. The town was settled by families from East Point who were searching for fertile lands. During the 1820's and 1830's the bottom lands in the immediate vicinity were divided and subdivided and laid off in residential and commercial lots. Soon afterwards some storehouses were built and Paintsville became a trading center. It has a population today of 4,025. It is also the site of a Kentucky Vocational Rehabilitation Center.

Agriculture has always been an important factor in the county's economy. In 1964, 2,200 acres were planted in corn, 60 in sorghum, 375 in tobacco, and 1,700 in hay. Approximately 45,500 hens and pullets of laying age produced 9,510,000 eggs and 2,700 cattle and 1,000 hogs were raised.

Industry has increased in volume during the years, and in 1964 there were fourteen manufacturing plants in Paintsville. The Lycoming Shoe Company is the largest and employs around three hundred workers. This factory specializes in children's shoes. The other plants engage in several types of manufacturing such as ready mixed bituminous asphalt, ready mixed concrete, meat processing and machine shop tools. Some 261,586 short tons of coal were produced in forty-one mines in the county. Tutor Key Coal Company, No. 1 Mine and Terry Elkins Mining Company were the largest producers. Some 393,876 barrels of crude oil were produced which was an increase of thirty-nine percent over the previous year's output. Nine new wells were drilled during the year. Surveys show the presence of large deposits of petroleum and natural gas in the county.

William N. Randolph and John B. Wheatley were school teachers in the county immediately after its formation. John C. C. Mayo, who lived in Paintsville around the turn of the twentieth century, originated the idea of mining coal on a large scale. His dream was realized when a railroad was built into the area. Thomas J. Mayo served a term in the House of Representatives at Frankfort a few years after the Civil War. The Auxier, Whitten and Hager families have been prominent in economic and governmental circles throughout the history of the county. They have fostered better roads, better schools, and improved social and religious conditions.

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION
JOHNSON COUNTY AND KENTUCKY

Industry	Johnson County		Kentucky	
	Number	Percent	Number	Percent
All Industries	2,029	100.0	582,886	100.0
Mining and Quarrying	280	13.8	28,023	4.8
Contract Construction	213	10.5	49,494	8.5
Manufacturing	190	9.4	229,384	39.4
Food and kindred products	44	2.2	25,974	4.5
Tobacco	0	0	12,664	2.2
Clothing, textile and leather	102	5.0	36,305	6.2
Lumber and furniture	26	1.3	16,237	2.8
Printing, publ. and paper	10	0.5	14,454	2.5
Chemicals, petroleum, coal and rubber	0	0	20,028	3.4
Stone, clay and glass	8	0.4	6,910	1.2
Primary metals	0	0	12,390	2.1
Machinery, metal products and equipment	0	0	79,933	13.7
Other	0	0	4,489	0.8
Transportation, Communication and Utilities	318	15.7	39,844	6.8
Wholesale and Retail Trade	622	30.6	151,699	26.0
Finance, Ins. and Real Estate	87	4.3	27,077	4.6
Services	319	15.7	55,331	9.5
Other	0	0	2,034	0.3

Source: Kentucky Department of Economic Security, September 1967.

ECONOMIC CHARACTERISTICS OF THE POPULATION FOR
JOHNSON COUNTY AND KENTUCKY

Subject	Johnson County		Kentucky	
	Male	Female	Male	Female
Total Population	9, 794	9, 954	1, 508, 536	1, 529, 620
EMPLOYMENT STATUS				
Persons 14 years old and over	6, 682	6, 866	1, 036, 440	1, 074, 244
Labor force	3, 702	1, 041	743, 255	291, 234
Civilian labor force	3, 697	1, 041	705, 411	290, 783
Employed	3, 170	1, 012	660, 728	275, 216
Private wage and salary	2, 374	663	440, 020	208, 384
Government workers	291	246	58, 275	44, 462
Self-employed	505	103	156, 582	16, 109
Unpaid family workers	0	0	5, 851	6, 261
Unemployed	527	29	44, 683	15, 567
Not in labor force	2, 980	5, 825	293, 185	783, 010
Inmates of institutions	26	7	15, 336	8, 791
Enrolled in school	953	842	94, 734	97, 825
Other and not reported	2, 001	4, 976	183, 115	676, 394
Under 65 years old	1, 229	4, 140	91, 626	539, 838
65 and over	772	836	91, 489	136, 556
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	3, 170	1, 012	660, 728	275, 216
Professional and technical	192	195	46, 440	36, 879
Farmers and farm managers	251	4	91, 669	2, 339
Mgrs., officials, and props.	263	40	58, 533	10, 215
Clerical and kindred workers	152	196	35, 711	66, 343
Sales workers	290	132	39, 837	25, 265
Craftsmen and foremen	593	13	114, 003	2, 836
Operatives and kindred workers	1, 007	67	140, 192	45, 305
Private household workers	0	55	1, 123	25, 183
Service workers	91	177	29, 844	40, 156
Farm laborers & farm foremen	87	4	33, 143	2, 046
Laborers, except farm and mine	154	8	44, 227	1, 671
Occupation not reported	90	121	26, 006	16, 978

Source: U. S. Bureau of the Census, U. S. Census of Population: 1960,
"General Social and Economic Characteristics," Kentucky.

MAJOR KENTUCKY TAXES

Corporation Income Tax

The Kentucky corporate income tax is derived from that portion of the corporation's entire net income which is attributable to Kentucky operations. Certain financial and public service companies are exempt. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such federal income tax is applicable to Kentucky operations. Effective for taxable years beginning after December 31, 1967, this deduction is limited to the smaller of (a) federal income tax actually paid or accrued on income taxed by Kentucky, or (b) federal income tax which would be paid or accrued by applying 1967 federal income tax rates to income taxed by Kentucky. (Thus, no deduction for Kentucky corporate income taxes will be allowed for any increase in federal income taxes occurring after December 31, 1967.)

The corporation income tax rates are 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income.

Corporations having business income taxable both within and without Kentucky are taxable on an apportionment basis. The apportionment of business income is the arithmetical average of the following factors: (a) the ratio of the average value of real and tangible personal property owned or rented and used in Kentucky to the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable period, (b) the taxpayer's payroll in Kentucky during the taxable period compared to his total payroll during the same period, and (c) the taxpayer's total sales (destination basis) in Kentucky during the taxable period compared to total sales everywhere during the same period.

Corporation License Tax

Every corporation, domestic and foreign, owning property or doing business in Kentucky must pay an annual state license tax based on total capital employed in the business within and without Kentucky. Certain financial and public service companies are exempt.

Capital employed includes the capital stock, surplus, undivided profits and capital borrowed for other than current expenses. The capital employed is valued at the book value. Total capital is apportioned according to the uniform apportionment formula. See apportionment formula in the corporate income tax section.

The tax rate is 70¢ per \$1,000 value of capital employed in this state. The minimum liability is \$10.

Corporation Organization Tax

Domestic corporations having capital stock divided into shares are required to pay an organization tax to the Secretary of State at the time of incorporation. The tax is based upon the number of shares authorized:

	<u>Rate Per Share (Par Value)</u>	<u>Rate Per Share (No Par Value)</u>
First 20,000 shares	1¢	1/2¢
20,001 through 200,000 shares	1/2¢	1/4¢
Over 200,000 shares	1/5¢	1/5¢

The minimum tax is \$10. If additional shares are authorized, the tax is computed on the basis of the total number of shares, as amended, and the tax due in excess of that already paid must be paid at the time the amendment to the articles of incorporation is filed.

The tax applies to the capital of foreign corporations in case of merger or consolidation with a Kentucky corporation.

General Property Taxes

Since January 1, 1966, the basis of valuation for ad valorem tax purposes in Kentucky has been fair cash value (100% valuation).

State and local tax rates per \$100 of assessed valuation for 1967 were:

<u>Classification</u>	<u>State</u>	<u>County</u>	<u>School</u>	<u>City</u>
Real property	\$0.015	Yes*	Yes*	Yes*
Tangible personal property**	.150	Yes*	Yes*	Yes*
Manufacturing machinery	.150	No	No	No
Raw materials and products in course of manufacturing	.150	No	No	No
Intangible personal property	.25	No	No	No
Intangible personal property arising from Kentucky business transactions negotiated and performed out-of-state but having a taxable situs in Kentucky.	.015	No	No	No

*Local rates vary. See the local taxes section of this brochure.

**Includes automobiles and trucks, merchants inventories and manufacturer's finished goods, and business furniture.

Personal Income Tax

Kentucky personal income taxes range from 2% of the first \$3,000 of net income to 6% of net income in excess of \$8,000. Federal individual income taxes are deductible from income subject to Kentucky's personal income tax. Effective for taxable years beginning after December 31, 1967, this deduction is limited to the smaller of (a) federal income tax actually paid or accrued on income taxed by Kentucky, or (b) federal income tax which would be paid or accrued by applying 1967 federal income tax rates to income taxed by Kentucky. (Thus, no deduction for Kentucky corporate income taxes will be allowed for any increase in federal income taxes occurring after December 31, 1967.)

The tax rates on adjusted gross income less deductions are:

Up to	\$3,000	2%
Next	\$1,000 or portion thereof	- 3%
Next	\$1,000 or portion thereof	- 4%
Next	\$3,000 or portion thereof	- 5%
In excess of	\$8,000	- 6%

Sales and Use Tax

A 5% tax is levied upon retail sales and the use or the exercise of any power or right over tangible personal property. Other taxable items include temporary lodgings and certain public services.

The bases of the tax levy are gross receipts from retail sales of tangible personal property and taxable services. Excluded are cash discounts.

Exemptions important to industry include:

- a. Purchased raw materials, component parts and supplies used in manufacturing or industrial processing for resale.
- b. Machinery and appurtenant equipment for new and expanded industries. Such machinery and equipment must be used directly in the manufacturing process which is incorporated for the first time into plant facilities located in Kentucky and which does not replace machinery in such plants.
- c. Energy and energy producing fuels, to the extent that they exceed 3% of the cost of production.

Unemployment Insurance Tax

During 1968 this tax will vary from 0.0% to 3.2% of the first \$3,000 of wages paid to each employee depending on the individual employer's past contribution-benefit experience. The 3.2% rate applies only to employers

who have a negative reserve balance. An employer new to Kentucky will pay 2.7% for the first year of operation and a minimum of 2.7% for the next two years. Kentucky law provides for three alternate rate schedules which are determined by dividing the "benefit cost" ratio (taxable wages for the previous 60 months divided into amount of benefits paid during this period) into the "statewide reserve" ratio (taxable wages for the preceding year divided into the "trust fund" balance). In 1966, the average employer contribution was 1.11% of total covered wages and 1.90% of taxable wages.

KENTUCKY REVISED STATUTES

103.200 to 103.285

REVENUE BONDS FOR INDUSTRIAL BUILDINGS

103.200 Definitions for KRS 103.200 to 103.280. As used in KRS 103.200 to 103.285, "industrial buildings" or "buildings" means any building, structure, or related improved area suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, fabricating plant, or parking area deemed necessary to the establishment or expansion thereof, and the necessary operating machinery and equipment, or any of these things, to be rented or leased to an industrial concern by the city or county by which it is acquired. (1964)

103.210 Issuance of bonds. In order to promote the reconversion to peacetime economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city or county may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city or the fiscal court of the county, as the case may be, specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280. (1962)

103.220 Interest on bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semiannually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body or the fiscal court of the county, as the case may be, determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body or the fiscal court of the county, as the case may be, before issuing the bonds. (1962)

103.230 Bonds negotiable; disposal; private sale, when, payable only from revenue. (1) Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold upon such terms as the city legislative body or the fiscal

court of the county, as the case may be, deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. The issuing authority may sell such bonds in such manner, either at public or private sale, and for such price, as it may determine will best effect the purposes of KRS 103.230 to 103.260; provided, however, that no private or negotiated sale shall be made unless the amount of the issue equals or exceeds \$10,000,000, and unless the business concern which is contracting to lease the industrial building shall have requested in writing, addressed to the chief executive of the issuing authority, that the sale of the bonds shall be made privately upon a negotiated basis. In no event shall any bonds be sold or negotiated on a basis to yield more than six percent, except as provided in subsection (2) of KRS 103.220.

(2) The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city or county within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city or county within the meaning of the constitution. (1966)

103.240 Use of proceeds of bonds. All money received from the sale of the bonds shall be applied solely for the acquisition of the industrial building and any utilities requisite to the use thereof, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during any portion of the first three years following the date of the bonds. (1966)

103.245 Acquisition of industrial building; power to condemn; procedure. An industrial building within the meaning of KRS 103.200 may be acquired by a city or a county by purchase, gift, or condemnation. Whenever a city or a county shall determine that land or other property, right of way, or easement over or through any property is needed by such city or county, as the case may be, to accomplish the purposes of KRS 103.200 to 103.285, inclusive, it may by ordinance or resolution authorize the purchase or condemnation, in the name of such city or county, of said land or other property, or right of way or easement for such purposes, and may proceed to condemn and acquire such property in the same manner by which an urban renewal and community development agency is permitted and authorized to acquire property under the provision of KRS 99.420, and in accordance with the procedures therein set out, except that all property, rights of way, and easements already held by its owner or lessee for industrial development, shall be exempt from condemnation under this section. (1964)

103.250 Lien of bondholders on building; receiver on default. (1) A statutory mortgage lien shall exist upon the industrial building so acquired in favor of the holders of the bonds and coupons. The industrial building so acquired shall remain subject to the statutory mortgage lien until the payment in full of the principal of the bonds, and all interest due thereon.

(2) If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city or county, as the case may be, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210. (1966)

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body or the fiscal court of the county, as the case may be, shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion (if any) of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of the industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account, if any depreciation account has been established. (1966)

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body, or the fiscal court of the county, as the case may be, to the depreciation account, to be used for improvements, extensions or additions to the building.

(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body, or the fiscal court of the county, as the case may be, may designate, and if invested the income from such investment shall be carried into the depreciation account. (1962)

103.280 Additional bonds. (1) If the city legislative body, or the fiscal court of the county, as the case may be, finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city or county acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such

acquisition, provide for additional bonds for extensions and permanent improvements to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city or county may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded. (1962)

103.285 Property acquired under KRS 103.200 to 103.280 exempt from taxation. All properties, both real and personal, which a city or county may acquire to be rented or leased to an industrial concern according to KRS 103.200 to 103.280, shall be exempt from taxation to the same extent as other public property used for public purposes, as long as the property is owned by the city or county. (1962)

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky is required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.
3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Elmer Begley,
Secretary of State,
Commonwealth of Kentucky.

COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Commerce, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth. Since it is a statutory function of the Department of Commerce "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing proposed industries. As of March 31, 1968, Kentucky stood second among the states in its use of federal aid highway funds. The state also has completed or has under construction 980 miles of the 1,119 miles of superhighways planned for Kentucky.

The Department of Economic Security provides labor market information for the state, giving the latest estimated employment in non-agricultural industries, estimated average hours and earnings of production workers in manufacturing, and estimated labor turnover rates in the manufacturing and mining industries. As an aid to the location of prospective industries, the Department will conduct surveys on labor supply and economic characteristics of specified areas. The Department's Division of Employment Service, with offices in 25 cities in the state, is available to assist in the recruitment of both established and new industries. All local offices are equipped to administer aptitude tests for approximately 800 occupations as a part of the recruitment process, using the General Aptitude Test Battery and certain specific tests. These tests facilitate getting the "round peg" into the "round hole," thereby helping to reduce worker turnover and training time.

The Kentucky Department of Labor has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

The Kentucky Department of Revenue offers the services of its tax consultants to industries seeking locations within the state, as well as to resident industries.

The Kentucky Department of Commerce takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry. Established industries have found the state to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to our present family of industries.

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF HIGHWAYS POLICY ON
INDUSTRIAL ACCESS ROADS

Under established and necessary policies and within the limits of funds available for this purpose, the Kentucky Department of Highways will cooperate in constructing or improving access roads to new industrial plants, subject to the following:

1. Before the Department will approve any project, there must be a definite assurance given to the Department by the Department of Commerce that the new plant will be built.
2. The length of the project must be feasible as well as reasonable and the cost justified on a cost benefit ratio.
3. The necessary rights of way will be furnished without cost or obligation to the Department of Highways, whenever possible.
4. If approved, access roads will be built only from the nearest highway to the property line of the company. When possible, existing roads will be improved rather than new roads built.
5. No roads will be built that will serve solely as private driveways on plant property. No parking lots are to be built.
6. No project is to be given final approval prior to authorization by the Commissioner of Highways. No other person is authorized to make a commitment for the Department of Highways.

William B. Hazelrigg
Commissioner of Highways
Commonwealth of Kentucky